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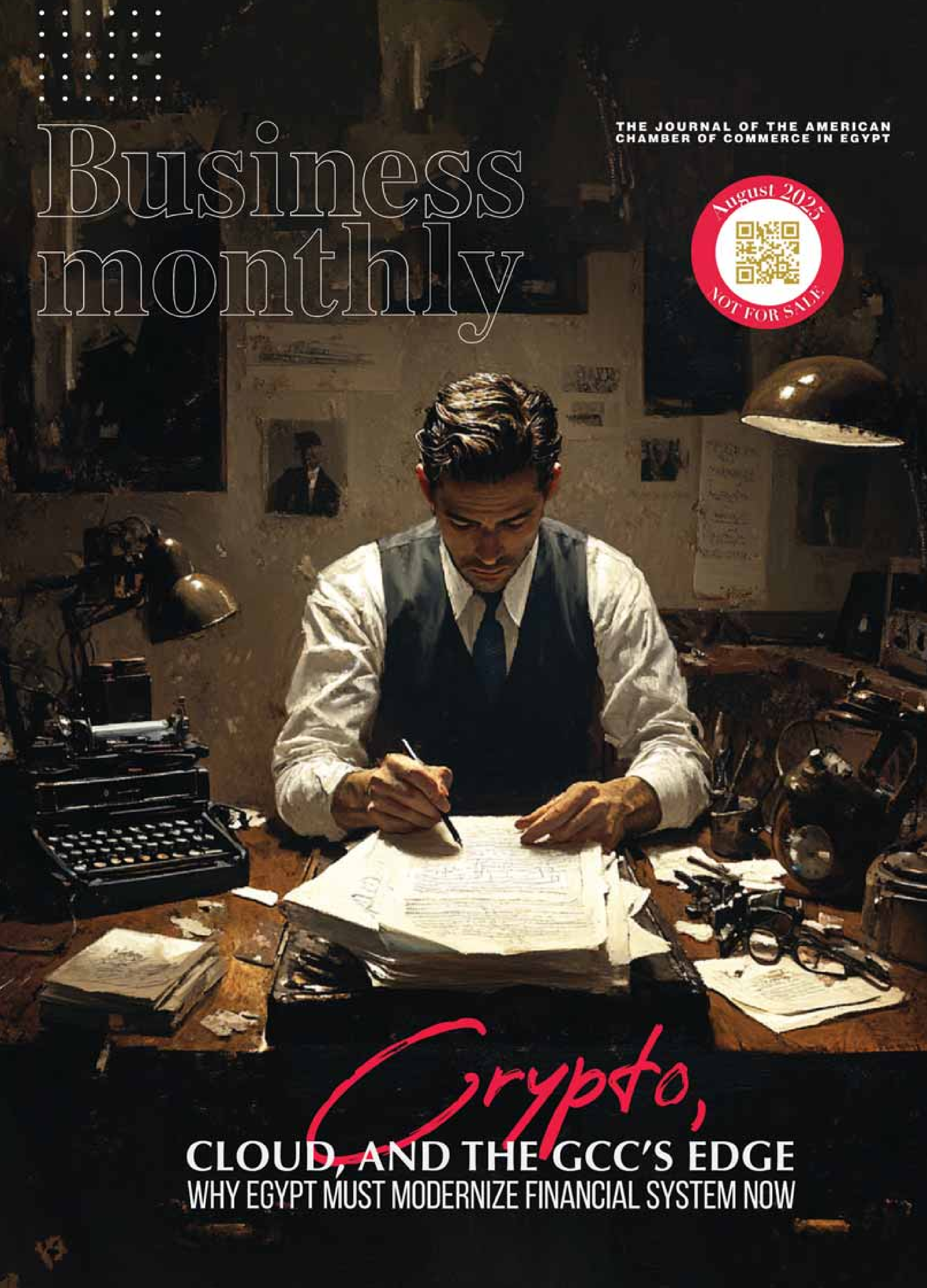

Crypto, CLOUD, AND THE GCC'S EDGE

WHY EGYPT MUST MODERNIZE FINANCIAL SYSTEM NOW

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Business monthly

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Special topics

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Business Reads

READY, SET, GO

Here we are, already two-thirds through 2025, and advancements in technology, government policies, and rising demand for structural reforms are opening new opportunities for companies in Egypt to expand both locally and globally.

This issue highlights the convergence of digital finance (such as stablecoins), emerging technologies (like blockchain in real-world sectors), artificial intelligence, and financial management, as well as digital sovereignty—three powerful forces that are transforming the rules of the global economy.

We also explore Egypt's latest initiatives to improve governance, create value, and strengthen institutional oversight, all aimed at attracting new investors by promoting a transparent business environment.

But it's not just about what's ahead — it's about who is prepared. From shifting labor dynamics and skills to Egypt's evolving corporate governance landscape, the future of work and business is taking shape. We spotlight key reforms, frameworks, and policy actions that demonstrate real momentum across various sectors.

For those building and scaling, we provide a concise summary of Scale Up, a practical guide on what growth truly requires.

We wrap up with an honest, in-depth conversation with Mahmoud Mohieldin, discussing development, reform, and the leadership Egypt needs to succeed in a digitally connected, climate-conscious world.

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VIEWPOINT

UNLOCKING A NEW ERA FOR
PRIVATE SECTOR GROWTH AND INVESTMENT

Egypt stands today at a pivotal economic juncture. After years of navigating global and domestic headwinds—from supply chain disruptions to currency volatility and inflationary pressures—the past two months have ushered in a series of decisive policy shifts that signal a bold and serious commitment to private sector empowerment and investment facilitation.

The recent IMF Country Review has reinforced Egypt's roadmap for macroeconomic stabilization and structural reforms. The government's renewed cooperation with the IMF underlines a vital recognition: Sustainable, inclusive growth cannot occur without a thriving private sector at its core. The review commended Egypt for key reforms in monetary policy, exchange rate flexibility, and fiscal consolidation, but emphasized the urgency of proceeding with the privatization plan for state owned enterprises, enhancing the business environment and removing long-standing investment barriers.

Encouragingly, we are beginning to see some tangible action on this front. In a landmark session led by President Abdel Fattah El-Sisi, the Supreme Council for Investment approved a robust package of 22 decisions aimed squarely at dismantling bureaucratic obstacles and stimulating investment. These reforms are not merely symbolic, they address core impediments that AmCham and the wider business community have long identified.

Highlights include the creation of a Unified Digital Platform for Investment, which will streamline company establishment and licensing procedures, offering a definitive 10-day turnaround for approvals. This is a powerful step toward certainty and predictability, both crucial to investor confidence.

Equally significant is the expansion of the "Golden License" mechanism, now available not only to strategic projects, but also to companies established prior to the 2017 Investment Law. This creates a fast-track for approvals across a wide range of sectors and reaffirms the state's commitment to equitable access for all investors.

The liberalization of land ownership rules for foreign investors, coupled with adjustments to import regulations allowing non-Egyptians to register as importers for 10 years, further removes long-standing constraints to entry and operations in the Egyptian market.

Perhaps most notably, the decision to restrict the imposition of additional fees or regulatory burdens without prior Cabinet and Investment Authority approval introduces a needed level of oversight and coordination. Similarly, the establishment of a permanent startup-focused unit within the Cabinet, tasked with policy design and issue resolution, signals a more inclusive and agile approach to economic development.

These are bold and welcome steps, and they are beginning to restore a sense of momentum and optimism.

At AmCham Egypt, we view these developments not only as validation of our long-standing advocacy efforts, but as a clarion call for greater private sector engagement. Our role has never been more crucial. We continue to work closely with both the Egyptian government and our U.S. partners to ensure the voice of the business community is reflected in the reform process.

Still, challenges remain. Investor sentiment hinges not just on policies announced, but on the consistency and transparency of their implementation. The issues of crowding out, ensuring a level playing field, privatization, divestiture, dispute resolution, tax clarity, and currency stability are among the key areas that require continued attention.

AmCham remains steadfast in its commitment to helping unlock Egypt's economic potential. By advocating for the implementation of the above badly needed reform measures, promoting transparency, and supporting U.S.-Egypt commercial ties, we aim to catalyze a new era of investment and inclusive growth.

OMAR MOHANNA
President, AmCham Egypt

American Chamber of Commerce in Egypt

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THE **NEWSROOM**

EGYPT TO CHANNEL DEBT SWAP CASH TO DEVELOPMENTS

Egypt and Germany are preparing to implement the second tranche of a debt swap program, valued at EUR 100 million, according to Minister of Planning, Economic Development and International Cooperation Rania Al-Mashat.

Half the amount is set to be converted to development investments by the end of this year, and the remaining half will be restored by June 2026.

Al-Mashat stated that the total value of debts allocated for conversion into development projects under the German debt swap program has exceeded EUR 340 million.

She stressed that all projects under the program are wholly owned by Egypt and closely aligned with national priorities, with a strong focus on sectors such as healthcare, vocational training, and climate resilience.

Al-Mashat highlighted the strategic nature of Egypt's partnership with Germany, which extends beyond development to investment and trade. She noted that about 1,400 German companies operate in Egypt, and bilateral trade between the two nations has exceeded 7 billion euros annually.

$300 MILLION EARMARKED FOR RENEWABLE ENERGY

British International Investment (BII) has announced agreements exceeding $300 million to support the development of two 1.1 gigawatt projects in Egypt: a wind farm in the Gulf of Suez and an integrated solar photovoltaic and battery energy storage system (BESS) developed in partnership with the Norwegian renewable energy company Scatec.

The wind farm would be Africa's largest onshore wind energy project with a total investment of $1.2 billion. The project is expected to generate 4,500 gigawatt-hours of electricity annually, resulting in a reduction of 2.5 million metric tons of carbon dioxide emissions per year.

As part of a larger $704 million debt financing package, the BII will provide $190 million. Other contributing financial institutions include the European Bank for Reconstruction and Development (EBRD), African Development Bank (AfDB), German Development Finance Institution (DEG), OPEC Fund for International Development, and the Arab Fund for Economic and Social Development.

The project is a key part of Egypt's Nexus of Water, Food, and Energy program and is projected to create 10,000 direct and indirect jobs.

In partnership with Scatec, the AfDB, and EBRD, BII will also contribute to co-finance Egypt's first BESS project, providing a concessional loan of $100 million along with a $15 million grant. The total cost of the project is $479 million, and it is expected to generate 1.1 gigawatts of solar power, along with 200 megawatt-hours of battery storage capacity.

The collaborative finance approach is designed to reduce upfront costs, attract private sector investment, and establish a replicable model for future clean energy projects across the region.

$216.5 MILLION EARMARKED FOR INDUSTRIAL PROJECTS

Egypt's Ministerial Group for Industrial Development, headed by Kamel El-Wazir, Minister of Industry and Transport with the membership of 10 other ministries, has approved three private free zone industrial projects. With total investments of $216.5 million, the projects are expected to generate approximately 15,000 direct jobs across key manufacturing sectors.

The approved projects include a $108 million PVC board and flooring plant in New Alamein Industrial Zone, projected to generate 2,150 jobs. The facility will introduce a new industry to Egypt, meeting growing domestic demand.

The other projects will be a $30 million ready-made garment factory in New Beni Suef City. The factory is expected to provide 9,000 jobs and contribute to the country's efforts to expand labor-intensive manufacturing in Upper Egypt.

In addition, the group approved the establishment of a $78.5 million textile manufacturing facility in 10th of Ramadan City. It is expected to create 4,000 jobs.

"These projects reflect our commitment to fast-tracking industrial development, boosting employment, and supporting sectors with high growth potential," said El-Wazir. He emphasized the group will continue to prioritize projects aligned with national economic goals, particularly those that are labor-intensive, energy-efficient, and hold strong potential for export growth.

The projects' approval aligns with Egypt's broader strategy to attract industrial investment to governorates with labor availability, such as Minya, Beni Suef, and Fayoum.

FIRST EL-DABAA REACTOR EXPECTED IN 2028

Prime Minister Mostafa Madbouly announced Egypt plans to begin delivery and operation of the first reactor at the El-Dabaa Nuclear Power Plant in the second half of 2028. The remaining three reactors are scheduled to come online in 2029.

Madbouly highlighted that the facility will encompass four nuclear reactors with a total generation capacity of 4,800 megawatts.

Sherif Helmy, chairman of the Nuclear Power Plants Authority, confirmed that all work is being carried out on schedule, with no obstacles that might delay delivery or operation of the reactors. He added that the construction will be implemented to the highest international standards of quality and safety, with strict oversight by the relevant authorities and regulatory bodies.

Egyptian labor will represent 80% of the total workforce, he said, with several key components being manufactured by Egyptian companies.

NILE PLASTIC RECYCLING INVESTS $15 MILLION IN SCZONE

The Suez Canal Economic Zone (SCZone) announced the expansion of the Nile Plastic Recycling Co. project in Ain Sokhna, with an additional $15 million investment aimed at establishing a new polyethylene terephthalate (PET) recycling facility.

A statement from the General Authority for the SCZone stated that the new investment will finance a 10,000-square-meter facility designed to process PET, the primary raw material used in food-grade plastic bottles.

The expansion is projected to create 500 direct jobs and produce 20,000 tons of processed plastic waste annually.

Notably, 70% of the facility's output will be exported, with the remaining 30% allocated to the local market.

Nile Plastic Recycling Co. was launched in November with $20 million in capital. Its first facility will be 12,000 square meters and is expected to begin operations in the first half of 2026.

KICKING INTO NEXT GEAR

An April report from the World Bank highlights the potential of “the private sector as an engine of growth in the Middle East and North Africa.”

by **Rania Hassan**

Across the Middle East and North Africa (MENA), growing the private sector is indispensable. "By 2050 … nearly 300 million young people [in the MENA region] will be looking for a job," said an April report from the World Bank on the role of the private sector in the region. "Can the private sector create these jobs?"

In Egypt, the target is to increase private sector investment from 63.5% of GDP as of the first quarter of fiscal year 2024/2025, according to the Ministry of Planning and Economic Development, to 75% by 2030, Minister of Investment Hassan El Khatib told the media in October.

That will not be easy. "The region's economic outlook remains uncertain, with ongoing challenges and fragility shaping its trajectory," the World Bank report said. "While some positive signs are emerging in conflict-affected economies, the situation remains fragile, and deep structural challenges persist amidst global policy uncertainty."

Meanwhile, regional private sector players are not adequately equipped to operate in such an environment. "In MENA, there is significant room for improvement for the private sector with low labor productivity growth, investment, innovation, and market dynamism," the report said. "Unlocking the [region's] private sector as an engine of growth requires governments to rethink their role in markets and firms to harness talent more effectively."

Pervasive uncertainty

For the past five years, MENA has been engulfed in geopolitical storms from the conflict in Gaza; attacks on freighters at the southern entrance to the Red Sea; unrest in Sudan, Syria, Lebanon and Libya; and Iran's standing in the world.

That has made forecasts "shrouded in uncertainty," the report said. "Global policy uncertainty, subdued global demand, volatility in oil markets, and fragility pose risks to the projected pickup in the region's economic activity."

For MENA's oil exporters, slow global GDP growth could lead to lower consumption, noticeably reducing export revenue. On the flip side, the region's net oil importers would benefit.

However, declining oil prices would have a blanket adverse effect on the region, such as reduced remittances from wealthy MENA nations to lower-income ones. Other problems from dropping oil prices could include "worsening consumer confidence and investor sentiment [resulting in] capital outflows, thereby straining … external balances."

U.S. President Donald Trump's approach to reducing dependence on imports is a new unpredictable factor that could last until 2028, when his second (and final) term ends. "How global trade policy uncertainty plays out will have significant bearing on whether forecasts materialize," the World Bank said. However, it noted the extent of the shocks will depend on how integrated individual MENA nations are in global supply chains, what they import and export, and the diversity of the products they trade.

Governments' reactions also will impact their economic prospects. "How uncertainty unfolds will depend on overall policy responses of other trading partners in the MENA region," the report said. "In a longer time horizon, trade shocks faced by other countries could also affect MENA indirectly through trade reorientation."

The World Bank stressed, "These effects may be negative or positive depending on the context."

MENA in numbers

The region's "fragility" caused real GDP growth in MENA to average a "modest" 1.9%, "roughly the same rate as in 2023," the report said. That was mainly due to a disparity in economic fortunes between rich oil exporters and other MENA nations.

In the wealthy, oil-exporting GCC, growth "picked up from 0.4% in 2023 to 1.9% in 2024," the World Bank said. "Modest expansion in 2024 was driven by the non-oil sector in Saudi Arabia and the United Arab Emirates." Iraq, Libya, and Algeria, which are "developing oil exporters," have seen GDP growth go from 3.6% in 2023 to 1.9% in 2024, "largely driven by … Iran as oil production plateaued."

On the flip side, MENA's "oil-importing economies' growth decelerated sharply from 3.2% in 2023 to 1.9% in 2024, primarily due to slower growth in … the manufacturing sector, import restrictions and reduced Suez Canal traffic."

This year and the next should see growth rates improve. "Regional GDP growth is forecast to average 2.6% in 2025 and 3.7% in 2026," the World Bank said. "The region's oil exporters are expected to benefit from a gradual increase in oil production, while oil importers may gain from strong private consumption and easing inflation."

However, upticks in GDP rates will be unlikely to improve living standards by much relative to other emerging regions as MENA suffers "chronic low growth syndrome … Since 2000, per capita GDP growth in MENA has been lower than its median income peers, already not a high bar," the World Bank said. "Much of this lackluster growth stems from the poor performance of the private sector.

Private sector nuances

According to the World Bank, "the private sector in MENA is ill-prepared to absorb shocks such as conflicts and extreme weather events." Nevertheless, "there are signs that businesses in MENA can adapt in the face of adversity."

One of the reasons for that lack of readiness is "growth in sales per worker [in the region] fell on average by 8%, which is far worse than in [other] low middle-income (-0.4%), upper-middle-income (0.4%) and high-income economies (2.4%)," the report said. The breakdown shows "sales per worker growth [are] negative across the region, … ranging from -15% in Egypt to -1.2% in Morocco."

The culprit is that "few firms invest or innovate," noted the report. "Limited investment in physical and human capital [goes] hand in hand with low rates of innovation in products and processes, as well as low spending on R&D."

According to the World Bank, on average, about 21.7% of firms in the MENA region invest in physical capital, "which is far less than income peers." About 14.5% of firms in MENA offer formal training, which "is less than half the average of middle-income economies."

It also noted the "long-standing segmentation between formal and informal sectors." Across MENA, "informality accounts for 10% to 30% of total output and 40% to 80% of total employment [despite] scarce …data on informal firms."

The report highlighted the exclusion of women from the workforce. The region "has the world's lowest rate of women in the workforce — at 18%, well below the world average of 49% in 2023," meaning a significant loss of productivity and potential economic output.

Lastly, private sector companies in MENA often compete directly with state-owned enterprises (SOEs). "The issue of state dominance is not simply the size of the public sector, which varies across the region, but also how governments intervene in markets — especially through SOEs," the World Bank said. "SOEs tend to have a larger footprint in MENA economies than in other middle- and high-income economies."

The report estimated "SOEs in MENA account for at least 20% of GDP, significantly more than the 15% they account for in OECD (Organization for Economic Cooperation and Development) countries and some African economies, and 8% in Latin America."

Government role

For MENA governments "to boost the performance of the private sector," the World Bank said they "may need to rethink their role." New priorities could include "promoting competition in markets, leveling the playing field for private and state-affiliated firms, and fostering a business-friendly environment."

Additionally, "embracing data openness and evidence-based policymaking could guide the path forward, including the constant evaluation of industrial policy."

Achieving the required shift boils down to significant government capacity building to identify market failures to be addressed, credible implementation of industrial policy, and evaluation of outcomes to correct the course when necessary, the report said.

Governments have to revise their business environment effectiveness by revisiting "the rules and regulations firms must follow, government support to firms through digitization, interoperability of government services and transparency, and the time and cost of processes."

The World Bank also highlighted unrequited state actions. "Governments intervene in markets as a significant employer … and through SOEs that reduce market contestability (the ease of firm entry and exit and resulting competitive pressure), and hence productivity and innovation," the report said. "In many MENA economies, the large share of public sector employment suggests that talent is misallocated away from the private sector."

If states want to remain market players, they "should provide a clear rationale for state ownership and separate their roles as shareholders, as policymakers and as regulators," the document stressed. "Competitive neutrality should be adopted to ensure that SOEs and private sector firms are treated equally."

However, "a brighter future for the MENA private sector is possible if governments embrace their role as stewards of competitive markets and firms better harness the wealth of talent across the region."

In that role, their priority is creating favorable industrial policy via "subsidies, exemptions, and export or import restrictions to correct market failures and further … structural improvement in the performance of the business sector," the World Bank said. However, the report warned, too much stimulus is "risky because of the large number of distortions in the region's economies" it would likely cause.

The other role of the government is to manage "rising trade policy uncertainty [which] is but the latest in a sequence of shocks to which governments in the region have been pressed to respond," the World Bank said.

The challenge for policymakers is to "not lose sight of the long-term fundamental reforms needed to make their economies more resilient."

Private sector ready

Beyond government efforts to promote the private sector, the World Bank report stressed the importance of corporations preparing their workforces for the future. The report introduces "novel and promising avenues for harnessing the power of talent."

The first "makes better use of existing talent and resources within firms by improving management practices." On the ground, those "better-managed firms are more productive, have higher operating profits, are more outward-oriented, and invest more on R&D," the report said. "Better management practices also improve the preconditions for developing an innovative economy — investment in human capital."

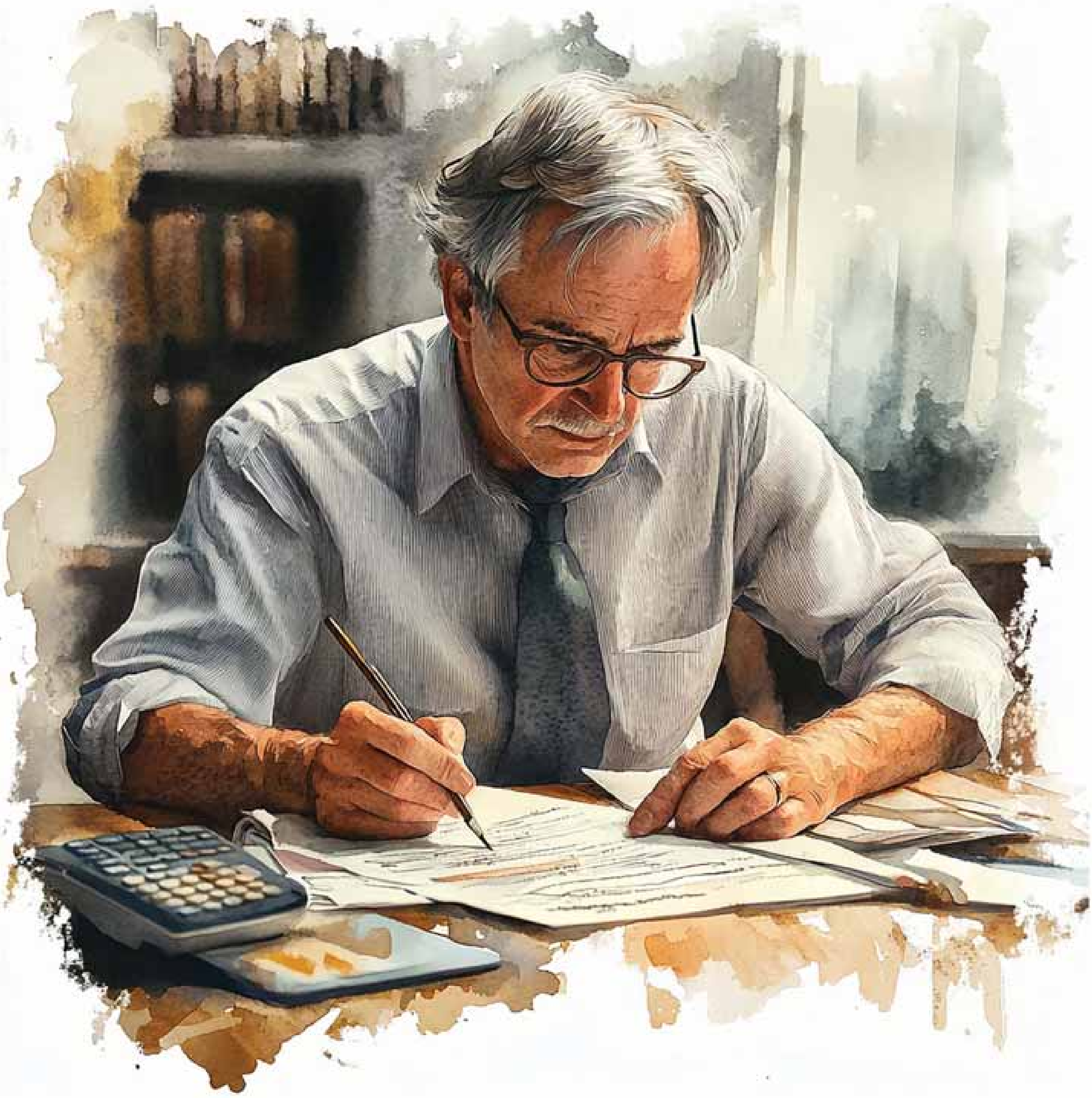
Quantifying those improvements "is only the case in MENA for firms that keep good financial records or do not face a business environment in which bribery is rampant," the report stressed.

That is where the government enters, enticing the formalization of private sector enterprises, hence making them "keep good financial records." Combating bribery requires the states to focus on "reducing governance deficits [and] improving the business environment and fostering innovation."

Selling off SOEs is essential, as "the less the state intervenes in the private sector, the greater the chance of better management practices and innovation. In general, innovation is unlikely to occur under poor business environments and cronyism."

The report also stressed the importance of increasing the diversity of corporate hierarchies. "Providing leadership opportunities for women may be effective in increasing female participation in labor markets, which is lower in MENA than anywhere in the world," the report said. "Not only does increasing the share of women managers increase women's representation in decision-making positions, but female managers also tend to hire women workers, who are a largely untapped source of economic growth."

Ultimately, the World Bank report stressed MENA's private sector shortcomings are "unfortunate because [they] could be a key source of productivity growth that would help the ... region narrow the standards of living gap with the frontier economies," as well as ensuring MENA's GDPs remain resilient in the face of ongoing shocks and unexpected new ones. ■



TECHNOLOGY, MONEY, TRADE

Digitization of everything, from daily personal interactions to entire economies, is significantly transforming how companies conduct business with customers, partners and even the government.

Consequently, governments face pressure to create balanced legislation that promotes innovation while preventing misuse of these technologies.

Some increasingly popular technologies include stablecoins — digital currencies whose value is tied to a real-world asset — blockchain technology, and AI in financial systems.

Governments also need to carefully manage a trend toward digital sovereignty, which involves restricting foreigners' access to locally sourced and processed data.

By **Tamer Hafez**

STABLECOINS COME OF AGE

The GCC and Africa are increasingly attracted to stablecoins, a less volatile alternative to cryptocurrencies. Egypt should legally allow them to maximize trade with critical regions.

Safe, inclusive, low-cost, transparent, traceable, and innovation-enabling. That sums up the advantages of cryptocurrencies, pioneered by Bitcoin. Their downside is volatility. Data aggregator Trading Economics shows Bitcoin's exchange rate versus the dollar jumped 55% between November and December, and almost 50% between April 8 and May 22. Between July 2024 and July 2025, Bitcoin's value doubled.

Enter stablecoins, a type of cryptocurrency whose value is pegged to real-world currency, commodities, or financial instruments," according to Investopedia, an investment platform. Therefore, their value fluctuations are more predictable and less extreme than other cryptocurrencies.

Stablecoins are gaining popularity in MENA. According to LeanTech, a MENA stablecoin platform developer, the region is "the fastest growing market for crypto transfers." Meanwhile, U.S. think tank Chainalysis ranked MENA the seventh-largest cryptocurrency market in the world in 2024. Africa is also witnessing fast adoption of stablecoins, with Nigeria, South Africa, Ethiopia, and Kenya among the world's top 30 adopters in the 2024 Global Adoption Index.

Egypt, which trades with the MENA region and eyes expansion in Sub-Saharan Africa, prohibits cryptocurrencies without prior approval, thereby missing out on potential cross-border trade opportunities. "With the payments landscape more dynamic and competitive than ever, stablecoins are emerging as one of the most promising tools for faster and more accessible digital payments," Godfrey Sullivan, Visa's senior vice president and head of products and solutions for Central Europe, the Middle East and Africa, said in a press release.

Preferred digital currency?

In MENA, Chainalysis estimated stablecoins accounted for 52% of cryptocurrency transactions during fiscal year 2023/2024. Bitcoin was second with 17%. Top users were Turkey (55.2% of crypto activity), the UAE (51.3%), and Saudi Arabia (46.1%), surpassing the global average of 44.7% between June 2023 and June 2024.

Chainalysis said the high penetration in Turkey, where the currency isn't pegged to the dollar, is mainly because of its "long history of economic instability and high inflation," adding that it "reflects [citizen] concerns over volatility and a need for consistent stores of value." Global Crypto Adoption Index ranked Turkey 11th in 2024.

Alternatively, Gulf Cooperation Council (GCC) countries, with their dollar-pegged currencies, see "the growing adoption of stablecoins as likely reflecting their popularity as an on-ramp to broad crypto services and trading," the Chainalysis report said.

Mohamed Damak, managing director and financial institutions sector lead at S&P Global Ratings, told news platform Arab Gulf Business Insights in March, "For Saudi Arabia, [stablecoin growth] was driven by the country's relatively youthful population and their interest in this new technology," as "just under half of Saudi Arabia's population of roughly 34 million people is under the age of 30."

LeanTech noted stablecoin transactions in Saudi Arabia are a legal "gray area." Laws allow "holding, trading and investing in digital assets," but "the Standing Committee on Dealing in Unauthorized Securities activities in the Foreign Exchange Market has banned financial institutions from dealing in or with digital assets."

Conversely, UAE stablecoin growth "is probably related to the regulatory initiatives in the country," Damak said. A May report from PwC singled out the Payment Token Services Regulation. It mandates that all parties involved in stablecoin transactions be licensed, comply with anti-money laundering laws and counter-terrorism financing standards, and ensure fiat reserves cover all issued stablecoins.

Damak said the UAE "wants to capture a portion of the DeFi (Decentralized Finance) and crypto activities." According to the World Economic Forum, DeFi is "like mobile phones. [It] has the potential to be a leapfrog technology, enabling the underbanked to bypass traditional finance and gain access to digital services and assets previously unavailable."

Bahrain also allows stablecoins, having "launched crypto asset mobile in 2019 through which companies in [the country] must get a license and follow anti-money laundering regulations to run a cryptocurrency exchange," LeanTech said.

Oman is "in progress," having established its Virtual Assets Regulatory Authority in March 2022. The authority is responsible for regulating and overseeing the provision, use, and exchange of virtual assets.

Qatar and Kuwait prohibit stablecoins. In 2020, "the Qatar Financial Centre Regulatory Authority declared that all virtual asset services are banned ... except for digital asset services concerning token securities [which digitally prove ownership of a real-world asset]."

In July 2023, Kuwait "placed an absolute ban on all digital asset mining, prohibited the recognition of crypto as a decentralized currency, and warned the public that companies are not allowed to provide any type of crypto-related services," LeanTech said.

Sub-Saharan potential

African nations, with historically high inflation and poor-performing economies, have also taken a fondness for stablecoins. According to a Chainalysis report published October 2024, stablecoins "account for approximately 43% of the Sub-Saharan African region's total [cryptocurrency] transaction volume."

Nigeria ranked second in the 2024 Global Adoption Index, receiving nearly $22 billion in stablecoins, while its currency lost more than two-thirds of its value from mid-2023 to 2024.

South Africa, ranked 30th globally, had the second-highest influx of stablecoins with $13.5 billion. Fueling that influx was high currency volatility, dependence on remittances, and low inclusion levels, noted Peter Mure, marketing director at Yellow Card, a South African stablecoin trading platform.

Notable stablecoin growth pockets on the continent are Ethiopia and Kenya, ranked 26th and 28th on the 2024 Global Adoption Index, according to Chainalysis. While they didn't receive as much influx of stablecoins as South Africa last fiscal year, their adoption rates remain higher.

Egypt losing out?

Egypt, with its managed-float currency, prohibits cryptocurrencies without Central Bank approval. A January note from Anderson Egypt law firm blamed the "misunderstanding" of stablecoins and the technology they use for the ban. "Many view these digital assets as a quick path to wealth or associate them with illegal activities," the law firm said.

Meanwhile, the government "views unregulated financial systems as threats to national stability and security [as well as] the stability of the Egyptian pound."

There is also a local religious narrative against stablecoins. "The ruling of ... Egypt's Grand Mufti ... argued that the speculative nature of cryptocurrencies, along with their potential for fraud and misuse, conflicted with the principles of Islamic finance," Anderson Egypt said. That resulted in a public aversion to cryptocurrency, the law firm noted.

For Egypt, not using stablecoins could limit bilateral trade with Saudi Arabia, Turkey, and the UAE, three of Egypt's top five trade partners in 2024. The United States, Egypt's third-largest trading partner, passed legislation (GENIUS Act) in June endorsing stablecoins. Currently, only China, Egypt's top trading partner, prohibits the use of stablecoins.

Here to stay?

Recent activity from international financial services companies suggests that stablecoins have already become an integral part of the global financial system.

In July, Visa announced its cardholders can use stablecoins to pay for goods and services in the Middle East and Africa, as well as in Central and Eastern Europe. Also that month, MasterCard expanded its stablecoin network to include USDC, PYUSD, and FIUSD stablecoins, all backed by the dollar, allowing its "over 3.5 billion Mastercard cards in circulation [to] securely engage with crypto," the press release said.

A PricewaterhouseCoopers' July paper noted that stablecoins will eventually "integrate with existing financial systems, ... transforming the payment landscape," adding, "Traditional payment rails will become utilities, with stablecoins forming the foundation of a new financial stack."

Emerging markets that don't allow stablecoins should quickly reverse their legal course, giving access to citizens, companies, and institutions, stressed Sullivan of VISA. "We believe that every institution that moves money will need a stablecoin strategy."

THE BLOCKCHAIN OPPORTUNITY

Blockchain technology is increasingly indispensable in cross-border transactions. For Egypt, it is crucial as the country is at the crossroads of Africa, Asia and Europe.

Since its commercial availability in 2009, underpinning Bitcoin, blockchain technology has become increasingly vital in a growing range of domestic and cross-border transactions, providing safety, speed, transparency, and (for better or worse) a means to bypass government regulations.

"Its design reduces the risk of fraud and errors, making it especially valuable in industries where secure transactions are critical," said IBM's blurb on blockchain technologies. "Additionally, blockchain helps businesses improve efficiency and reduce costs by streamlining processes and enhancing accountability."

Egypt adopts a split stance on blockchain technology. While the law strictly prohibits using it for cryptocurrencies like Bitcoins, it mentions no other applications. Meanwhile, most local companies are overlooking this technology. That should ultimately change as digitization increases in Egypt and around the world, making blockchain indispensable.

The tech

Blockchain is a distributed, interconnected ledger system that requires all "blocks" to be updated simultaneously. Past entries can't be deleted or altered once on the block, even by the party that recorded them.

Data is stored using "cryptographic techniques [a type of encryption] making hacking or data alteration almost impossible," Weavers Web, a blockchain developer, posted on LinkedIn in March. And because all blocks save identical data, "this minimizes the risk [of] a single point of failure."

Another advantage is "the time invested for processing transactions is considerably less" than traditional payment networks, noted Weavers Web. That is because "execution of [an] agreement does not require manual intervention" or intermediaries.

That full automation bypasses the problem that "traditional cross-border payments … may be halted at different points." That usually happens because of "incomplete information and also different screening to detect fraudulent activities," said Weavers Web. "Standardization … is something that is often lacking when it comes to dealing with the processing of international payments."

Another "pain point" in traditional payment systems that blockchain resolves is additional costs. "Cross-border payments are associated with various fees, and this includes exchange rate conversion costs, intermediary bank charges, and service fees," Weavers Web said.

Lastly, blockchains allow trading parties to know where funds are at any time, Weavers Web said. It also reduces the "high chances of errors and delays" in traditional payment systems.

MSMEs and blockchain

Egypt's corporate landscape is dominated by micro, small and medium enterprises (MSMEs). Malak El Baba, Visa's country manager, told local media in July 2024 they account for 98% of Egypt's private sector.

A critical problem MSMEs face when dealing with foreign partners is "higher transaction costs and longer settlement times than large corporations," a May note from the World Economic Forum said. "This locks up liquidity and hampers growth."

Using blockchain to execute transactions would eliminate those problems, thereby "significantly lowering barriers to international trading … while promoting [their] financial resilience," the WEF said. The technology also could help them offer "value-added services … from streamlining cash flow to enhancing customer experiences and expanding opportunities in the digital economy."

Using blockchain also means MSMEs will face unconventional competitors, as "cross-payment solutions are increasingly collaborative, with traditional and fintech players working together, blurring sector distinctions," the WEF said.

Keeping MSMEs away from blockchain are concerns over "security and consumer protection [issues]," the WEF noted. The solution is "expanding collaboration across public-private, public-public and private-private partnerships … to further enhance trust, security and accessibility."

Blockchain and energy

Building a marketplace where polluters purchase carbon credits from clean energy companies is a priority for Egypt. In its blurb on carbon markets, the Financial Regulatory Authority (FRA) said it is "adopting [an] ambitious plan to establish the first African voluntary carbon market," stressing it is "part of FRA's continuous efforts to support the government's effective policies and procedures to achieve carbon neutrality."

According to Jan Haizmann, CEO of the Zero Emissions Traders Alliance, a platform for exchanging carbon credits, Blockchain technology would play a "foundational role in enabling regional trade of new energy commodities and carbon certificates across the MENA region," he told Zawaya, a news portal, in June.

Using blockchain to verify a product's eco-credentials (via environmental certificates) has been increasingly popular, as it prevents companies from deliberately exaggerating their positive environmental impact (greenwashing), according to DoxyChain, a blockchain developer.

Augmenting blockchain-backed eco-certificates is that the technology can be used in "carbon accounting [where] blockchain can securely record and verify greenhouse gas emissions," as well as "sustainable supply chains [where] blockchain can track the journey of products from sources to consumers, verifying their environmental credentials at each step."

Blockchain and logistics

With the Suez Canal accounting for 12% to 15% of global maritime trade and 30% of global container traffic, according to Pole Star Global, a think tank, executing transactions via blockchain is a growing trend.

According to Mather Marshal, a director at Freight People, an Australian logistics company, "Real-world applications include inventory tracking, route optimization, secure financial transactions, addressing inefficiencies and regulatory uncertainties in logistics operations, [and] freight management [which is] transforming freight forwarders' operations."

Blockchain-backed "smart contracts [also] eliminate the need for physical paperwork, [including] invoicing, payments, and customs documentation, [and] streamlining financial transactions," Marshal said.

The technology also allows freight companies to integrate new technologies, such as artificial intelligence, in their operations and supply chains, improving "security and immutability [of] data records," Marshal said.

According to DHL estimates in October, blockchain adoption should reach critical mass in five to 10 years. "Many pertinent and impactful use cases have been identified in the supply chain for existing blockchain technology," DHL said. "It is only a matter of time before multiple players, along and across supply chains, coordinate and collaborate to create comprehensive blockchain ecosystems."

First steps

For law firm Andersen Egypt, the standout blockchain application the country could benefit from is "smart contracts, which are gaining attention in sectors like finance, supply chain management, and corporate management."

In addition to storing information, safe in the knowledge they are nearly impossible to hack, smart contracts also can "automatically execute [pre-set actions] when predetermined terms and conditions are met," as explained in IBM's blurb on the topic.

According to Andersen Egypt, "in public life," smart contracts can be used in such government services as "issuing licenses, managing taxes, and distributing subsidies."

In "real estate transactions," especially ownership transfers, a smart contract would automatically recognize the buyer as the new owner once the blockchain registers payment, explained Andersen Egypt. That would greatly expedite government ambitions to develop a "national property ID."

In the corporate world, Andersen Egypt said companies could use smart contracts to "verify the receipt of goods and issue payments [almost simultaneously], streamline transactions between suppliers, distributors and retailers," the law firm added. "This would be especially beneficial in Egypt's growing logistics and trade sectors."

Andersen Egypt also mentioned insurance, where smart contracts could expedite claim approvals and compensation disbursements, or rejections. Lastly, the law firm said smart contracts could be used in corporate governance, "automating shareholder voting, dividend distribution and … employee compensation agreements."

On the ground, local awareness of blockchain's advantages is increasing. In July, ICP Hub Egypt became the first locally developed platform to enable customers to build blockchains and integrate artificial intelligence into them, among other features.

It also "enables developers to pay for decentralized computing and storage services directly on-chain using Egyptian pounds, eliminating the need for crypto transactions [which are illegal in the country]," the company's blurb said

The next step is for the government to develop a "dedicated legal framework for smart contracts," Andersen Egypt said. That needs to happen quickly, because "as industries in Egypt continue to embrace digital solutions, smart contracts will likely become an integrated part of the legal and business landscape."

BUILDING 'VIRTUAL' BORDERS

An August 2024 Policy Study from the Euro-Mediterranean Study Commission highlighted the inevitable march of MENA nations toward digital sovereignty.

As Microsoft co-founder Bill Gates framed it in 2010: "The Internet is becoming the town square of the global village of tomorrow." By extension, social media platforms, including Facebook, Instagram, and TikTok, are the hangout spots surrounding that "town square."

That image is starting to come apart as countries follow the EU, the United States, and China in introducing laws limiting digital data exchange between local companies and residents with the outside world. Those policies and accompanying narratives refer to "digital sovereignty."

"Over the past decade, the notion of digital sovereignty has emerged as a central theme in policy discussions surrounding digital issues," according to an August 2024 policy study by the Euro-Mediterranean Study Commission, a think tank. "[It] has gained considerable importance in statecraft and international relations."

Obstructions to the free flow of data in the digital space are impacting MENA nations. "The concept of digital sovereignty has emerged as a pivotal concern within the MENA region," noted the policy study. "[It] underscores the necessity for nations to navigate the complexities of the digital era with autonomy and strategic foresight."

Virtual cracks

Narratives on the benefits nations can reap from digital sovereignty are growing louder. "Security challenges ... have grown significantly ... including cyberattacks on critical infrastructures, sabotage and physical attacks on network infrastructures, disinformation, cyber espionage, and so on," said the policy study.

Digital sovereignty will have a profound impact on society, as it is "more than digital technology itself, it is [unrestricted access to the digital world] that is ultimately at stake," the policy study noted. That impacts "economic and social, commercial, industrial, defense, and security issues all at once."

The EU's 27 member states are leading the digital sovereignty narrative, said Kevin Korte, a member of Forbes Councils, a network of business professionals. "The Digital Markets Act, Digital Services Act, and Artificial Intelligence Act are advancing the [EU's] idea of becoming independent from foreign tech providers. These legislative measures aim to create a more balanced digital ecosystem, where innovation thrives and citizens' rights are protected."

Digital sovereignty narratives are also emerging in North America. According to a February survey by B2B News Network, "78% of Canadian IT leaders refuse to house their data [in data centers] outside Canada. Likewise, 88% believe local data storage is crucial for compliance, confidentiality, and security." Korte noted, "This shift in mindset is driving businesses to reassess their data protection strategies and explore ways to reduce their dependence on foreign technologies."

The United States, home to the biggest and most popular digital services companies, including social media platforms, is ensuring its digital sovereignty by "accessing any and all foreign data entering or residing within its borders without a warrant," noted Gabby Ortiz, product marketing manager at Thales Group, a cybersecurity company. These recent policy adjustments contradict protection regulations, such as the EU's General Data Protection Regulation (GDPR), she added.

Additionally, the Cloud Act "allows U.S. law enforcement agencies to demand access to data held by U.S.-based technology companies, regardless of where that data is physically stored in the world." Ortiz said that violates "global data sovereignty laws." Compounding the infringement is that this data can be accessed "without notifying the data subject or foreign regulatory authority."

The third big global player in digital sovereignty is China, whose laws require identifying local entities that collect and process data. "Per the China legal requirement, online service providers have an obligation to verify the real name of users," Microsoft said in its data sovereignty and China regulations section. "For business entity users, a state-registered business license is required for real name verification."

Chinese laws also cap the outflow of data "collected and generated in China from China to destinations outside China," Microsoft said. Beyond that threshold, companies must obtain special government permission. Additionally, all websites that display information or offer services within China must register in the country.

MENA: Toward sovereignty

The rapid development of AI should fuel the shift toward digital sovereignty. Sentiments during the seventh edition of the Global Data AI Executive Briefing held in July indicated, "As the AI arms race accelerates amid geopolitical instability, ... countries [need] to ensure digital sovereignty with control over infrastructure, data and systems."

MENA is already at the forefront of AI development, with seven of the region's 19 countries having published AI strategies, according to the MENA AI Observatory. "The MENA region will earn $320 billion by 2030 from value added by AI, as well as experiencing an annual growth of up to 20% to 34% in economic contribution of AI across the region."

The region is also witnessing growing geopolitical tensions in seven nations, with Qatar, Saudi Arabia, and Egypt indirectly involved as they mediate those conflicts.

Growing cybersecurity concerns in the region also drive digital sovereignty narratives. "Fast and significant digitization ... within MENA societies and economies, as well as the significance of the region in global energy markets, have rendered certain MENA economies [including] Egypt, among the primary targets for advanced persistent threats in the world."

ICT has been Egypt's fastest-growing sector since 2020, with annual growth rates between 15% and 16%, despite economic and investment challenges. The government's official plan is to increase the sector's contribution to 8% of GDP by 2030, up from 5.8% in 2024.

Another reason MENA governments may consider digital sovereignty is "more than 60% of Internet users primarily rely on social media, gradually superseding traditional [local] media outlets as the primary source of information," the policy study said.

That exposes MENA residents to an increasing amount of misinformation. Research by Gizem Ceylan, a postdoctoral scholar at Yale School of Management, found that "by constantly reinforcing sharing — any sharing — with likes and comments, platforms have created habitual users who are largely unconcerned with the content they post. And these habitual users ... spread a disproportionate share of misinformation."

Opportunity or fantasy

On the ground, the Euro-Mediterranean Study Commission noted, "In most MENA jurisdictions ... the privacy of an individual and the safeguarding of personal data are provided under general provision laws rather than [regulations] specifically focused on the issue of data privacy or data protection."

The reason why MENA has no bespoke digital sovereignty laws or they are not fully implemented is that "data storage-related operations are usually handled by data centers and [content delivery networks] operated by foreign actors," who adhere to their home country's digital sovereignty laws.

The policy study said that if MENA governments were to pursue digital sovereignty seriously, they would need to align efforts. "The concept of digital sovereignty encourages the formulation of regional collaborations ... aimed at standardizing digital policies, sharing technological innovations, and building collective defenses against cyber threats."

One challenge is the significant gap in digital infrastructure strength and maturity among MENA economies. "Countries in the Gulf, notably the UAE, Qatar, Saudi Arabia, and Kuwait, have distinguished themselves through robust digital infrastructure, creating a discernible divide not only with their North African counterparts, but also with other nations within the Middle East itself," said the policy study.

Ultimately, too much digital sovereignty would harm the economies and societies that attempt it. "The interconnected nature of our global economy means that complete technological isolation is neither feasible nor desirable," said Korte of Forbes.

The balanced solution would see "nations and businesses ... work toward creating interoperable systems that respect sovereignty while fostering innovation and economic growth," Korte said. "After all, no organization or country can keep pace with technological advancement in every field, which makes open collaboration essential to keep innovating."

THE GOOD AND THE UNCERTAIN

Using artificial intelligence to make financial decisions will bring immediate advantages, but its long-term consequences remain uncertain.

Almost 17 years later, the 2008 global financial crisis remains a warning of what can happen when investors, banks, and regulators overlook the risks of a game-changing advantage. Back then, it was that house prices would continue rising, fueled by the expectation the global economy would grow indefinitely. In 2025, it's the expectation that artificial intelligence (AI) and generative AI (GenAI) will bring never-ending significant benefits to the financial sector.

"In the dynamic world of financial services, AI [and] GenAI [have] become a linchpin of transformative change, redefining the operation and strategic horizons of the banking sector," Kostis Chlouverakis, EY (formerly Ernst & Young) Central Europe and South Asia financial services AI Leader, said in an April 2024 paper. The technology is changing basic assumptions, "propelling banking toward a future ripe with innovation and efficiency."

However, a paper by the Bank of England in April warned that with the rapid pace of AI and GenAI development, "there is a high degree of uncertainty over how the technology and its use will evolve."

A June note by the World Economic Forum (WEF) said the future of AI and GenAI in financial markets will largely depend on how they are used by emerging economies.

The technology will be attractive to those nations as it "bypasses legacy infrastructure entirely, leapfrogging traditional financial infrastructure and redefining the very essence of what it means to be 'financially included,'" WEF said.

Advantageous tech

For decades, financial institutions have been leveraging data and using sophisticated analytical methods to improve efficiency and enhance returns for investors, according to Tobias Adrian, Director of the IMF's Monetary and Capital Markets Department. Modern-day AI and GenAI are "just the latest stop in this journey," he said during the Bund Summit 2024.

The "stop" would have "observable" benefits, including "enhancing productivity by speeding up and automating many current tasks ... from back-office operations to customer-facing interfaces, and from research to building analytical models," Adrian explained.

Another significant advantage is "evolutionary improvements [where] large language models [which underpin GenAI] are now enabling investors to process very large amounts of unstructured ... data to enhance their already powerful analytical tools," he said.

That should create more investment opportunities in new markets as "GenAI is likely to lower barriers to entry for quantitative investors into less liquid asset classes, such as emerging markets and corporate debt," said Adrian. "This should lead to an improvement in market liquidity."

Advantage: Emerging markets

In its June note, the WEF said AI and GenAI have massive potential, with "1.4 billion adults worldwide still lacking access to basic financial services." A March 2023 Boston Consulting Group (BCG) report estimated 75% of those live in emerging economies.

The solutions AI and GenAI will produce will be tailored to the countries where they are developed. "It's a new framework, grounded in the distinct needs and realities of the underserved, that's serving as a blueprint for the future of finance," the WEF stressed.

Their real-world applications will change "the outdated view that inclusion is noble, but costly," the WEF report said. Instead, "AI-driven ecosystems, designed for mobile-first users, [will] prove more scalable, accessible, and commercially viable."

Another change AI and GenAI will bring is that "financial inclusion will no longer be about simply assigning someone a bank account number," the WEF said. "It will be about enabling them to seamlessly interact with the full spectrum of financial services — transactional, savings, lending, and investment — all within a single integrated experience."

That is "not a utopian vision, it's already happening," WEF said. "In Nigeria, the fintech industry grew by 70% in 2024. In Indonesia, digital transactions surged by 226% in 2024. Egypt's fintech ecosystem experienced a 5.5-fold increase over the last five years."

According to BCG, between 2023 and 2030, "financial technology revenues are projected to grow sixfold from $245 billion to $1.5 trillion." A significant chunk of those proceeds would come from emerging markets based on the global population distribution of the unbanked.

Caveats

According to the Bank of England's "Financial Stability in Focus: Artificial Intelligence in the Financial System" paper, "While bringing potential benefits to both firms and their customers, such as greater choice and product availability, AI can introduce risks."

The first is that "greater use of AI in banks' and insurers' core financial decision-making brings potential risks to [their] institutions," the bank said. And while it stressed that internal regulations and applying risk management techniques could mitigate such risks, firms could "misestimate certain risks and so misprice and misallocate credit as a result."

Another danger is decision-making in financial institutions could rely on identical analyses if they use the same AI or GenAI software. For example, ChatGPT, the most used GenAI software, according to an August 2024 World Bank study, would likely give the same reply if users queried it about interest rate forecasts for the same country.

A bigger problem arises if AI and GenAI are used extensively to determine which and when to buy or sell financial assets, such as stocks. "Trading strategies could lead to firms taking increasingly correlated positions and acting in a similar way during stressful [times], thereby amplifying shocks," noted the Bank of England. "Such market instability could then affect the availability and cost of funding for the real economy."

Another risk for financial institutions, including commercial banks, could come from their external AI service providers. "Reliance on a small number of providers for a given service could lead to systemic risks in the event of disruptions ... especially if [it] is not feasible to migrate to alternative providers."

The bank also highlighted the "changing external cyber threat environment," stressing, "While AI might increase financial institutions' cyber defensive capabilities, it could also increase malicious actors' capabilities to carry out successful cyberattacks." That threat would be magnified if "financial institutions' own use of AI ... creates new vulnerabilities that [cybercriminals] could exploit."

Lastly, there is uncertainty over how AI systems calculate an organization's creditworthiness. Would lenders' AI systems give high scores to borrowers who utilize AI, emphasizing its benefits, or would they receive a low score, as the lender's AI focuses on risks.

Leap of faith

In the long term, AI and GenAI will invariably become increasingly critical components in any financial system. Those technologies, without fail, would become more advanced as they train on more data and algorithms become more advanced.

For the Bank of England, that means "the complexity of some AI models – coupled with their ability to change dynamically – poses new challenges around the predictability, explainability and transparency of model outputs."

The bank also noted that "very large amounts of data pose new challenges for users around ensuring the integrity of that data." A "further challenge" is the potential "for market concentration in AI-related services, including vendor-provided models."

One solution is more government supervision and regulations. "We have to be continuously on the lookout for how AI could exacerbate traditional financial stability challenges such as interconnectedness, liquidity, and leverage," Adrian of the IMF said. "Regulators will need the tools to track developments in these changing markets, and more importantly, the entities acting in them."

Those regulations must be particularly effective in governing nonbank financial institutions. "AI could mean a continuing rise in the importance of nonbanks, particularly broker-dealers, trading firms, hedge funds, and related entities who are well placed to take advantage of this new reality with the burden of intrusive supervision," Adrian said. "We could wake up to a new reality of them playing a critical role in markets without necessarily a good understanding of who they are, how they are funded, and what they are doing." ■

TOMORROW'S WORKFORCE

New tech advancements mean companies require extensive reskilling and upskilling practices to optimize technology, increase productivity, and create future leaders.

by **Fatma Fouad**

Rapidly evolving technology, geoeconomic changes, and shifting labor demands are driving the need for workers to continually upgrade their skills. “There is an urgent need for investment in reskilling and lifelong learning to catalyze systemic change, close national skills gaps, and encourage industry-led collaboration on skills mapping and talent development,” the World Economic Forum (WEF) said in June.

Over the next five years, “22% of today’s global jobs are expected to change due to technological advancements,” it said. The WEF also noted that employers anticipate nearly 60% of workers will need upskilling by 2030.

Generative AI (GenAI), which parses web-based information to answer questions, will continue to transform jobs and industries worldwide. “AI has the potential to unlock $15.7 trillion in global economic value by 2030, but these gains will depend on our ability to equip people with the skills needed to harness its power,” according to Jeff Maggioncalda, CEO of Coursera, a global online learning platform. “Businesses, higher education institutions, and governments must work together to accelerate the rate of workforce upskilling and reskilling.”

The Global Talent Trends 2024–2025 report by Mercer, a global human resources consulting firm, explores the best practices companies can utilize to evaluate, reward, and nurture human contributions, fostering employees’ productivity.

As generative AI becomes increasingly integrated into daily workflows, it prompts a shift in the required workplace skills. Coursera’s Job Skills Report 2025 underscores the top-ranked skills across business, data science, and technology.

Productivity vs. Employee

Mercer’s report highlighted that in 2024, boosting employee productivity emerged as the priority for business transformation.

It showed that nearly two in five workers feel more replaceable and less valued than they did four years ago. Meanwhile, the challenge lies not only in adapting technology to new ways of working, but also in redefining productivity metrics to capture employees’ long-term value.

To boost productivity, the report stressed the importance of having a clear understanding of the work that needs to be done and insight into the capacity and capability of the people who will do it. In addition to capability, productivity rests on having sufficient capacity, not measured in hours alone, “but also in the capacity to learn new ways of working, to have dedicated, uninterrupted time to work, and to optimally integrate life inside and outside of work.”

Interestingly, work redesign, which was predicted in 2024 to have the least impact on productivity, has now proven to be the most transformative, according to Mercer’s report. Among organizations whose HR leaders consider them world-class in work redesign, 88% have reported measurable productivity gains.

“By deconstructing jobs and redeploying tasks to optimize work, organizations can create new jobs that reflect changing skills needs and make work more accessible to nontraditional talent,” said the report.

To maintain employee satisfaction and productivity, the report emphasized three practices: benevolence, competence and integrity. It noted that benevolence as a business strategy involves actively listening to employees, understanding their needs, and designing roles that empower them. In addition, it involves ensuring they feel included throughout their journey.

Notably, security remains the primary factor in employee retention. In 2024, the report said, other key factors included fair compensation, a positive workplace culture and opportunities for growth. “Investing in these areas demonstrates an organization’s trust in its employees and willingness to commit to their long-term success.”

Another key is competence, which has to be mutual, meaning that leaders must trust that their people have the skills to succeed, while employees need to trust that their leaders are held accountable. “If employees feel their leaders don’t have faith in their abilities, they might be right. In 2024, 74% of executives believed the majority of their workforce cannot adapt to the new world of work, up from 61% in 2020,” the report said.

Finally, integrity plays a vital role in the workplace by ensuring consistency between words and actions. The report said embracing radical transparency, particularly in decisions around pay and promotions, can strengthen trust and accountability. This underscores the “importance of organizations honoring their compensation philosophies and recognizing employees for their unique performance, contributions, experience and skills."

Utilizing tech

AI remains a critical tool that both employers and employees must learn. Mercer’s report showed that over half of executives (54%) believe their businesses would not survive beyond 2030 without embracing AI at scale. To capitalize on AI’s potential, “organizations need to ensure that their business and people plans are amplifying human progress,” said the report.

For companies, utilizing the intelligence of their talent would be instrumental in the use of data, assessments and analytics to understand the skills, capabilities and potential of a workforce. “It helps organizations make smarter decisions about hiring, development and deployment of talent," the report said.

Based on that data, employee intelligence has the power to unlock hidden productivity by aligning work more effectively with individuals' skills and motivations. According to the report, "Understanding people's skills and gaps is also vital to encouraging employees to spend their learning time in value-adding ways — developing skills that are in-demand, pay a premium, and/or help them remain employable."

This will enable agile flow-to-work models and enhance the precision of strategic workforce planning.

Market needs

According to Coursera's Job Skills Report 2025, GenAI proficiency ranks first among the fastest-growing skills overall.

GenAI skills include using AI to generate text and images, and more. Coursera experienced 1,100%, 500%, and 1,600% spikes, respectively, in GenAI course enrollments by employees, students, and job seekers over the past year.

"Although AI and big data currently rank as the 15th most critical skills for mass employment, they are projected to become the third-highest priority for corporate training by 2027," said the report. This shift highlights the growing importance of generative AI skills for both student career readiness and workforce competitiveness.

According to Coursera's enrollment data, the AI workforce showcases significant gender disparities. "While more women are learning on Coursera overall (up 3% year-over-year), only 28% of Coursera's GenAI course enrollments are women, said the report. Similarly, only 22% of AI professionals are women, said the report

Meanwhile, it is pivotal to encourage women to pursue AI skills through educational initiatives and workplace policies. This, in turn, "would create a diverse talent pool that is capable of generating inclusive work, as well as potentially increasing global gross domestic product by 20%," the report noted.

In business, the top-ranked skill is human resources (HR) technology, followed by risk mitigation & control. According to Mark Hanson, vice president of strategy at Lightcast, a labour market analytics firm, "HR tech is key to optimizing employee experiences, from talent acquisition to development. To succeed, organizations need integrated technology and intuitive workflows that empower teams with valuable analytics."

Driven by a surge in cyberattacks, the demand for risk mitigation and control skills is rapidly growing. "In 2023 alone, there were over 2,300 breaches affecting more than 343 million people," Coursera's report showed. "The rise in cyber incidents has made organizations prioritize protection strategies, leading to a need for professionals who can effectively identify, assess and mitigate risks."

Although today's students are digital natives, the report said, many still lack sufficient awareness of cybersecurity threats, leading to less focus on risk management. "Equipping individuals with cybersecurity skills is crucial— these skills strengthen organizational defenses against attacks and empower people with fulfilling careers," said Amanda Brophy, director of Grow with Google, a career certificate program. "The Google Cybersecurity Professional Certificate provides a direct path to in-demand skills and promising career opportunities in the field."

Among the fastest-growing data science skills, data ethics ranks first, shedding light on the importance of responsible and ethical use of data, according to Coursera. "Organizations experimenting with GenAI are cautious about proper use, ethics, bias, and especially risk exposure. Upskilling in data ethics and governance is crucial, as data breaches have been prevalent for years," Hanson said.

Meanwhile, Coursera's report showed "only 27% of data professionals actively check for skewed or biased data during data ingestion and just 17% of companies have a dedicated data governance committee." As a result, data leaders require employees to be equipped with the necessary skills to maintain ethics and integrity upon hiring, the report noted.

Creating Leaders

While companies seek to equip and hire employees with new skills that meet changing work dynamics, there is still a lack in filling some leadership positions. According to the HR Insights Report 2025 by DDI, a global leadership consulting firm, based on a survey of 2,185 HR professionals and 10,796 leaders, “58% of leaders say hiring the right talent for leadership roles is their toughest challenge.”

Notably, 75% of companies prioritize promoting employees to leadership roles from within, the report said. However, it showed that fewer than 20% of chief human resource officers believe their employees are prepared to step into critical leadership roles. “On average, internal candidates are available to fill just 49% of open leadership positions.”

Meanwhile, the report warned that the leadership gap may continue to increase in the future. The report indicated that “Gen Z is 1.4 times more likely than other generations to decline leadership roles and 2.8 times more likely to leave a job due to poor leadership."

This is mainly because Gen Z employees are both focused on learning and maintaining work-life balance. According to the 2025 Gen Z and Millennial Survey by Deloitte, a multinational professional services network, “Gen Zs are more focused on work-life balance than climbing the corporate ladder. Only 6% say their primary career goal is to reach a leadership position.”

However, they don’t lack ambition. Instead, Gen Z looks for work environments that support their growth, development, and well-being. "As Gen Zs and millennials navigate a rapidly changing world of work, they are reevaluating the capabilities they need to succeed and the support they want from their employers,” said Elizabeth Faber, global chief people and purpose officer at Deloitte.

The survey showed Gen Z's strongest reasons for choosing to work for their current employers include learning and development. Deloitte’s survey stressed, “Gen Zs and millennials want managers to provide guidance, inspiration, and mentorship, not just oversight of daily tasks.” ■

SEEKING **PATHWAYS** TO **REFORMS**

As Egypt grapples with inflation, high levels of debt, and an urgent need to stimulate private sector growth, Mahmoud Mohieldin shares his assessment of the country's current state and the best path forward. A former UN Climate Change High-Level Champion, Mohieldin is UN Special Envoy on Financing Sustainable Development.

By **Rana Salem**

The interview was edited for length and clarity

How would you evaluate Egypt's economic landscape and structural reforms?

We have seen inflation reach unprecedented levels — some of the highest in recorded history — alongside underperforming growth. Following severe economic turbulence in 2022 and 2023, projections for 2025 indicate real GDP growth of roughly 4%, with the potential to exceed 5%. Inflation is projected at 16% for FY 2024/25, but on a downward trajectory. Still, inflation remains higher than warranted, and growth is lower than potential. Structural reforms and tighter monetary-fiscal coordination are essential.

The broader issue is what I call Egypt's myopia in economic management. As argued in a recent book, Political Economy of Crisis Management and Reform in Egypt, and in an upcoming Harvard publication, we must distinguish between challenges and crises: Egypt faces a challenge in imports, but a crisis in exports; a challenge in investment, but a crisis in savings; a challenge in public spending, but a crisis in public revenue.

Addressing these gaps means increasing exports, rather than curbing imports, and prioritizing spending while improving domestic resource mobilization — especially tax revenue. Egypt needs a private sector-led growth model focused on SMEs, large enterprises, and profitable business lines, while pulling back unnecessary state intervention.

The savings deficit — across the public, household, and business sectors — is acute. Many economic authorities and state-owned enterprises are loss-making. A new growth model is needed: private sector-led, export-oriented, inclusive, green, and driven by digital and green transformations.

Investment must focus on human capital — education and health — where performance is lacking. Digital and conventional infrastructure also need better investment, especially through public-private partnerships. The economy must build buffers against external shocks that have been experienced over the past 15 to 20 years.

Let me summarize five strategic pillars: the IMF's 3Ds — digitalization, diversification, and deregulation — and two additional ones I propose: demographics and data.

Egypt's youthful demographic is a strength, not a burden, if we invest in education, health, and creativity. Demographics, when aligned with data systems and access to reliable information, can accelerate transformation. Combining this with better regulation, diversification, and digital transformation will enable us to see real progress.

What specific policy measures do you believe are essential for Egypt to attract FDI?

Level the playing field. The second recommendation, level the playing field. The third recommendation, level the playing field. This is basically what we need. It's basically the rule of the land when it comes to competition; paying taxes and labor laws; consumer protection; abiding by the rules of regulatory authorities; adequate access to land; and no preferred credit.

And, of course, I would say have this kind of good development in project preparation, the pipeline of bankable investable projects. We have a fantastic example, and I encourage you to take a look at it, which offers more than 18,000 opportunities for investable and bankable projects, spanning both green and smart initiatives across the 27 governorates of Egypt.

These highlight various sectors of opportunities for small and medium-sized enterprises, large enterprises, women-led projects, community-led developments, and startups. These are all great opportunities.

The pipeline has demonstrated its presence in the most important areas of work, including smart, digital, and AI solutions, with a focus on sustainability.

At the same time, we need to adopt this approach to leveling the playing field, which is essential for any serious progress in our country.

Here, the emphasis should be on the 27 governorates, as investments have been concentrated primarily in big cities, including some new industrial cities. But I would say localization is key.

Opportunities and diversification of the economy should benefit the 27 governorates and be a mandate for local authorities. That would really help Egypt going forward.

What is your assessment of the government's efforts to reduce the economic footprint of state entities?

I say level the playing field.

As Minister of Investment, I was responsible for areas related to encouraging the private sector to participate. However, I advise you to be more practical, pragmatic, and aware of the interesting dynamics globally, regionally, and at the national level.

I would say let's do this, let's be practical about the whole thing. What has been conducted during the past few years has been conducted. Let's draw a line and level the playing field regardless of whether ownership is public or private, domestic or external. This would be a much better practical approach.

I'm never thrilled when it is said that we have a few companies for sale and all of that. This is a very transactional approach, based on the good day of the markets and all that. Egypt has more opportunities for greenfield projects, more for the private sector to get listed.

However, if the public sector wants to be listed and undergo a partial or majority sale, let's do that. But I won't really hold my breath for it.

Following Egypt's leadership of COP27, how effectively has the country embedded climate resilience and sustainability?

Egypt did a fantastic job in COP27 by being a very organized host and transforming the agenda, especially by having the Sharm el-Sheikh adaptation agenda and highlighting the importance of investments in areas related to resilience of infrastructure, areas related to health, water management systems, protection of coastal areas and many other aspects of work, especially in the food and agriculture sector.

There is a nationally determined contribution that should be shared in COP30, which is always a good thing to have, just to guide policies. There is a new investment policy and a new investment strategy based on greening the economy. But, you know, the matters here are basically about, as you rightly put it in the question, it's basically about the inclusive approach when you get green opportunities adequately mainstreamed in our development agenda, and to abandon this false dichotomy between development and the green transformation of climate, environment, or nature.

At the end of the day, if we are doing something right in energy or decarbonization, this is SDG7, Sustainable Development Goal No. 7. If we are doing something right in the Sharm el-Sheikh adaptation agenda, this is very important for the food system and nutrition, SDG2, water, SDG6 and I can give many other examples. However, what is truly lacking is an inclusive growth agenda, as highlighted earlier. It needs to be based on a public-private partnership and more localized than what we have seen recently.

Again, I refer you to the investment opportunities, especially in the 18,000-plus projects that we have been working hard to demonstrate. This important project will continue to showcase significant developments and investments in local communities and at the government level.

With Egypt's youth a vital engine of growth, how can the government prepare them for evolving labor markets?

So, well, let's revise this issue again. The traditional way of thinking about development and growth suggests that it involves labor, capital, land, and natural endowments. You add that all together and get an entrepreneur who maximizes, and growth will happen. That is not the right approach. And I know this is a kind of textbook answer that I gave you earlier, which is basically everybody who has done economics 101 knows.

But now people are talking about the following: It's ideas, people, and other matters.

People are the source of labor. If they are young and educated, this is a competitive and comparative advantage for the nation.

It's a blessing to see my country, Egypt, in comparison to aging populations in Japan, Russia, or Europe, where some countries have negative population growth and a high median age.

This means that, in terms of power, creativity, and capacity to learn new ideas and adapt them to the country's needs, Egypt has a significant advantage. Unfortunately, this doesn't really seem to be the priority. Other areas, such as investments in infrastructure, are also essential.

But I would ask, can we now, given what we have done in infrastructure, do more to invest in health and education, focusing on the quality of health and education, and bring the best qualities when it comes to knowledge and learning? This would be the firepower of the country.

And the other thing, and it is very sad, because as you know, which is typical in almost every statistic we have seen, women are 50% of the population. However, unfortunately, despite the fact that girls and women are now being educated in schools and universities, the sad part is that their share in labor participation has been in decline.

And when they are working, they are not adequately paid compared to the average pay for males.

Final thoughts?

My final point is to emphasize that Egypt has a great deal of opportunity, given the challenging geopolitics in the region.

Because when it comes to economic diversity, when it comes to opportunities in diversification because of the natural endowment and more importantly because of the people and because of the demographic potential dividend, if we put our macroeconomic house in order, if we are investing in health and education adequately, if we are doing more investment in digital transformation, if we are doing more PPPs in infrastructure and if we are investing adequately and better in the resilience of the economy and society against shocks, I would be definitely more bullish than even what I am now about the growth of Egypt.

Egypt can and should grow beyond 7% per annum in the coming years. And that will give people hope. That will provide people with opportunities to increase their income. That will help regain the incomes lost due to the tough economic downturns we have seen, especially for certain segments of the middle class. Thank you so much. ■

As good as it gets

The period from June 15 to July 15 was as good as it gets, thanks to more subdued geopolitical tensions. Following a negative performance in the prior month, all main market indices ended this period higher. The EGX 30 added 9.4% to 33,934.6 and the EGX 70 jumped 11.6% to 10,166.1. Both indices extended their year-to-date gains to 14.1% and 24.8%, respectively. In terms of sector performance, it was led by consulting and engineering, while travel led the underperformers.

The period marked the trading debut of U for Consumer Finance, otherwise well known for its brand name Valu (VALU), one of EFG Holding's (HRHO) subsidiaries. The stock started trading with a strong euphoria, having jumped to its maximum allowed levels on two consecutive days. Later on, investors traded the stock lower as they took some of their gains off the table.

Also, this period marked the start of the subscription process of Bonyan for Development & Trade's (BONY) EGP 1.8 billion initial public offering (IPO), Egypt's first in 2025. BONY, tapping a new real estate investment segment, was marketed as one of the ways to gain exposure to the real estate sector, but from a long-term investor's view. This is because BONY's value is derived from its recurring rents.

Another company-specific performance was related to Orascom Construction (ORAS, up 40% to EGP 378). It reacted positively to the news that a rather limited settlement amounting to $28.7 million was charged against one of ORAS's subsidiaries' joint ventures. The market seems to have been discounting this potential outlay, which is why the stock reacted positively to the news.

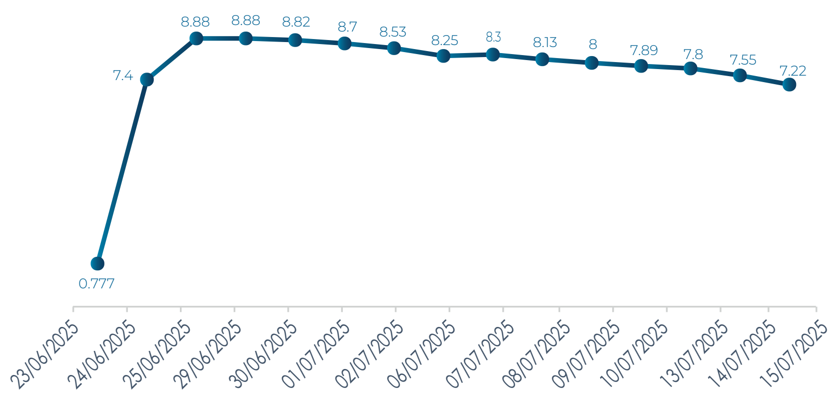
Other Orascom stocks posted some stellar performance with no news justifying their performance. Orascom Investment Holding (OIH, up 25% to EGP 1.09) and Orascom Financial Holding (OFH, up 24% to EGP 0.639) both rose in double digits this period. Meanwhile, Contact Financial Holding (CNFN, up 25% to EGP 5.6), around 30% owned by OFH, also rose.

At the other end of the spectrum, Premium Healthcare Group (PHGC, down 34.5% to EGP 0.175) began to give back some of its earlier gains. It started falling even before its new shares from its latest capital increase were available.

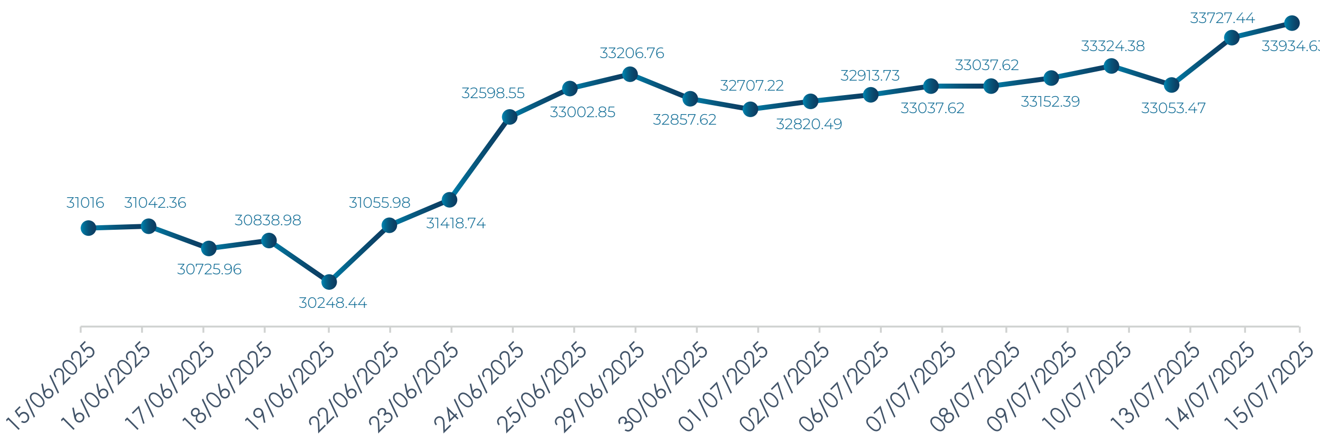
As for the macro picture, at its meeting July 10, the Central Bank of Egypt kept rates unchanged, in line with the market's forecast. This, along with other internal and external factors, may have helped the Egyptian pound gain some ground against the U.S. dollar. It rose more than 2% during the period.

U for Consumer Finance 'Valu' (VALU)

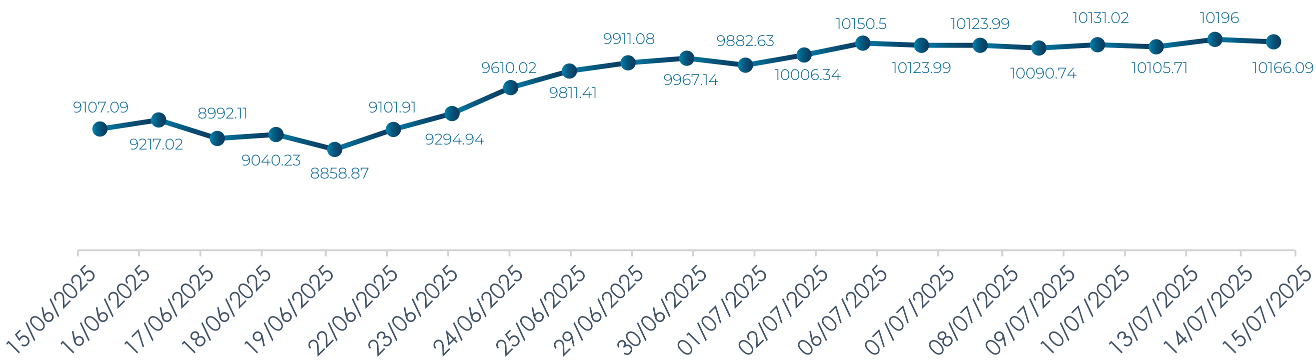
Marking the first of its kind in the Egyptian stock market, EFG Holding (HRHO) decided to directly list Valu (VALU), one of its subsidiaries. HRHO distributed about 431.5 million shares (a 20.5% stake) to shareholders as of June 12 at a ratio of 0.3005 VALU share for each HRHO share. The reference price was VALU's book value of EGP 0.777 per share as of Dec. 31. VALU hit a high of EGP 9.5 intraday on June 29 (a market cap of EGP 20 billion) before falling 24% to settle at EGP 7.22.



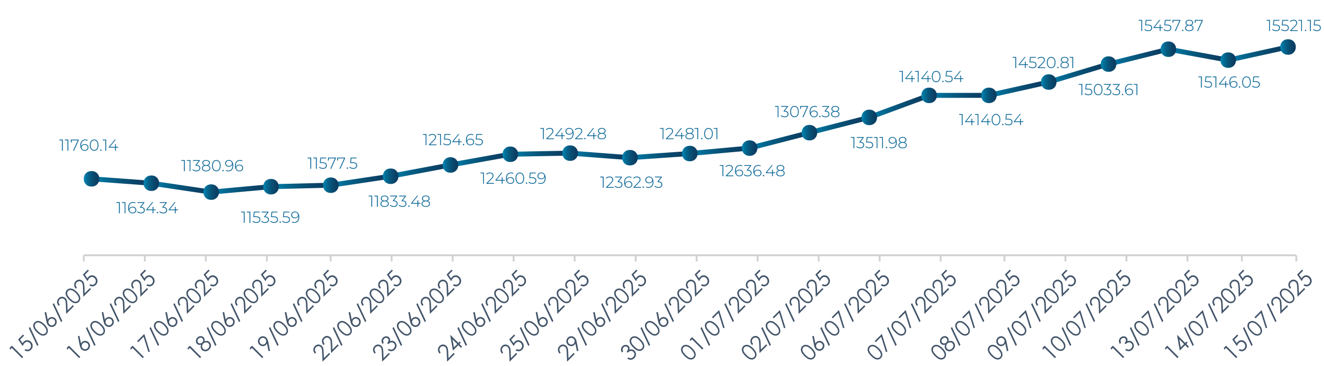
EGX 30



EGX 70



Tamayuz



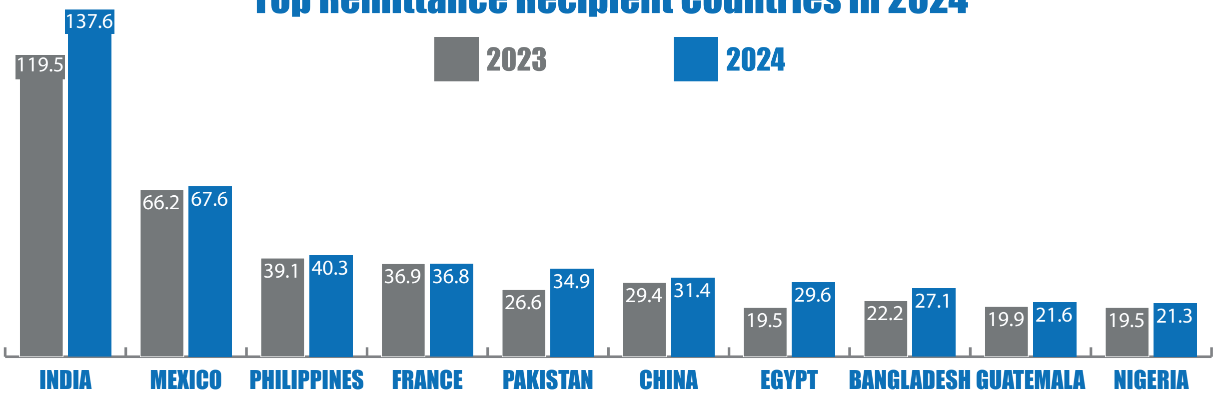
Tamayuz index is an all-new weighted index, launched on June 23rd. It comprises companies with high free cash flows from operations. EGX stresses that this is not an endorsement of those stocks.

In partnership with Dcode Consulting

DISSECTING EGYPT'S REMITTANCES

In 2024, Egypt ranked as the **seventh-largest remittance-receiving country**, with inflows **surging by 52%** compared to 2023, underscoring the positive impact of the FX policy shift on formal remittance channels. Looking ahead, the IMF projects remittances to Egypt to **grow by 26% over the next five years**, further reinforcing their importance as a stable and resilient source of foreign currency.

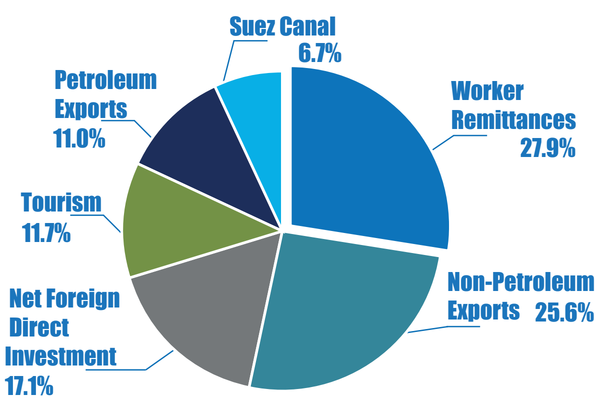
Top Remittance Recipient Countries in 2024



Remittances continue to play a vital role in supporting Egypt's external position, accounting for nearly 28% of the country's total foreign currency receipts over the past three years (**4X** the revenues generated **from the Suez Canal** and **2.4X** the revenues from **tourism)**. Following a steep decline in inflows between mid-2022 and early 2024, largely driven by the widening gap in the parallel FX market, the March 2024 devaluation and shift toward a flexible exchange rate helped reverse the trend. Since then, remittance inflows have not only rebounded but also **reached unprecedented levels**, providing a much-needed buffer against current account pressures.

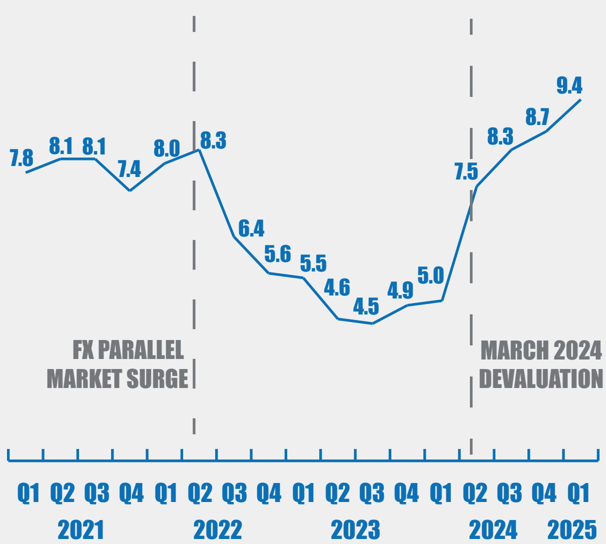
Distribution of Egypt's Main Sources of Foreign Currency (Excluding Debt) Using Receipts from 2021-2024

Remittances accounted for 27.9% of Egypt's (non-debt) FX receipts with total value of USD 124 bn between 2021 and 2024.



Sources: CBE, IMF & World Bank, July 2025

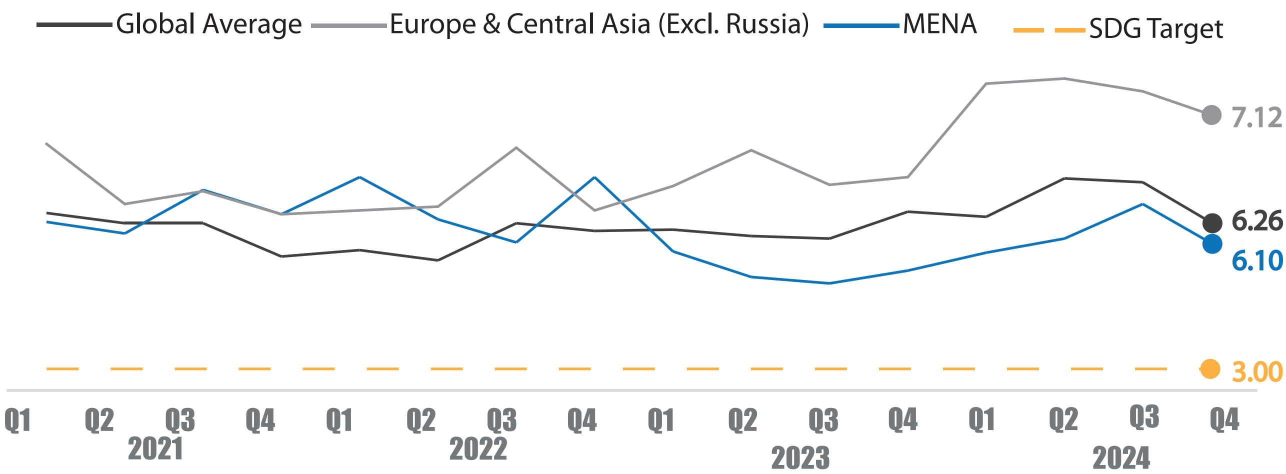
Egypt's Quarterly Remittance Inflows (USD bn)



REMITTANCES FLOWS

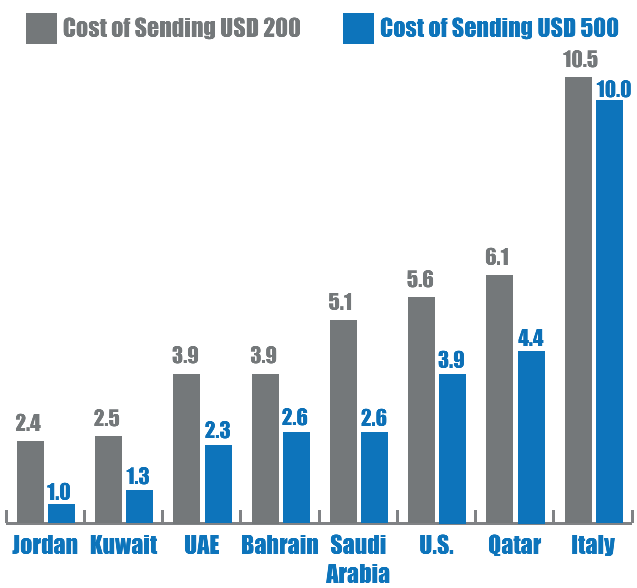
The cost of sending money to Egypt remains relatively competitive compared to global and regional averages, yet still exceeds the SDG target of 3% by 2030. In Q4 2024, the average cost of sending USD 200 to Egypt ranged from **as low as 2.4%** (Jordan) to **as high as 10.5%** (Italy). The overall global average cost **decreased marginally to 6.26%**, while the MENA region saw a **modest decline to 6.10%**. Banks remain the most expensive remittance channel globally, with costs rising to 13.4% of transaction value in Q2 2024, while **mobile operators continue to offer the lowest rates at 3.8%**, mobile-based transfers still account for **less than 1%** of global transaction volume.

Average Cost of Sending USD 200 - Selected Regions



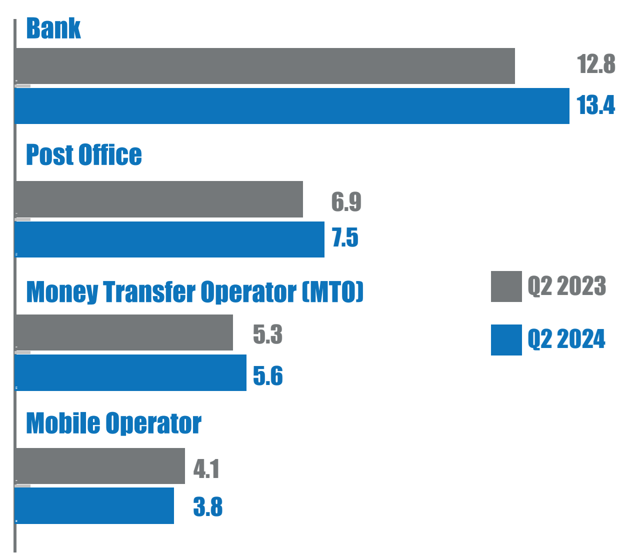
Average Cost of Sending Money to Egypt from Selected Countries - Q4 2024

(% Of Transaction Value)



Average Cost of Sending USD 200 Via Main Remittance Service Providers

(% Of Transaction Value)

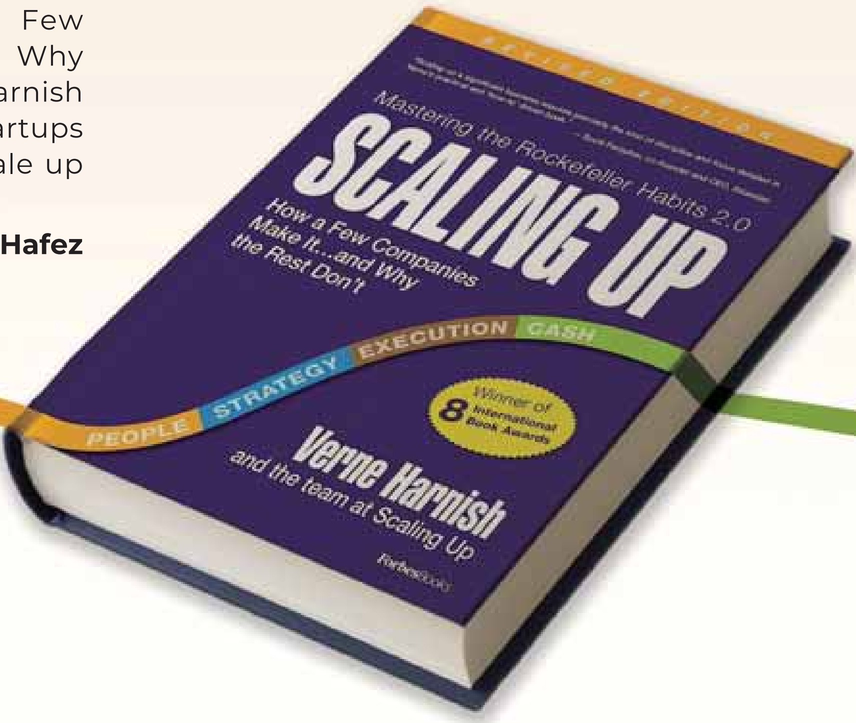


Sources: World Bank-KNOMAD, July 2025 & World Bank Remittance Prices Worldwide Database (June 2024)

THE LOW-DOWN ON SCALING UP

In "Scaling Up: How a Few Companies Make it ... and Why the Rest Don't," Verne Harnish details the complexities startups face when preparing to scale up their operations.

by **Tamer Hafez**



SCAN THE CODE TO PURCHASE

Scaling up a local startup to ensure its survival and success can be nearly impossible. According to Egypt Innovate, a think tank owned by the Ministry of Communication and Information Technology, "[The] grim reality [is that] eventually, 90% of startups bite the dust, and 51% of all businesses [that survived] die off within five years."

Verne Harnish, a serial entrepreneur, in his book "Scaling Up: How a Few Companies Make It ... and Why the Rest Don't," explores the "paradox of growth" and challenges facing entrepreneurs.

Growth fundamentals

Scaling up a startup begins with changing the mindset of senior leaders. "If they have the answers (or act like they do)," Harnish wrote, "it guarantees organizational silence, exacerbates blindness (the CEO is always the last to know anyway), and means the senior team ends up carrying the entire load of the company."

The right mindset is to "have the right questions, but turn to ... employees, customers, advisors and the crowd to mine the answers," Harnish stressed. "Every business is more valuable to the degree that it does not depend on its top leader."

The other attitude change involves establishing routines or habits. "Goals without routines are wishes; routines without goals are aimless. The most successful business leaders have a clear vision and the discipline (routines) to make it a reality."

Next, startup leaders tasked with turning a company into a fast-growing "gazelle" enterprise must think of "scaling up a business ... like climbing a mountain." It requires a plan "with a set of inviolable rules [and] intermediate waypoints [that] normally mark significant changes in terrain."

Within the first year of starting a business, leaders must look no further than the next quarter. The book suggests after the one-year mark, startups should transition to annual planning, as the company has a stronger footing and its leaders have more experience dealing with unforeseen events.

The next step is to switch to three- to five-year targets, divided into annual goals, which are broken down into specific, actionable monthly and weekly steps, adjusting tactics as market conditions dictate. The ultimate goal, which Harnish calls the "Big Hairy Audacious Goal (BHAG)," should be achieved "in the next 10 to 25 years."

Planning the post-one-year phase is tricky, as the book referenced "[Microsoft founder] Bill Gates' note that 'most people overestimate what they can do in one year and underestimate what they can do in 10 years.'"

Throughout this "scaling up" journey, startup leaders must "keep everyone focused on the summit and then decide the appropriate next step (quarterly priority) while respecting the rules that keep you from being swept off the mountain (values)."

People factor

The book highlights "people" as the first "fundamental" factor to fuel a startup's "gazelle" phase. "In leading people, take a page from parenting," it said. "Establish a handful of rules, repeat yourself a lot, and act consistently with those rules. This is the role and power of core values."

"If … used effectively," Harnish wrote, "these values guide all the relationship decisions and systems in the company."

The next step is to ask the "key question: Do you have the right people doing the right things right inside the organization?" Other "people" questions include, "Would you keep all your existing clients? Are you happy with your investors [or] banks? Are your vendors supporting you properly? Are your advisors — accountants, lawyers, consultants, and coaches — the best for the size of the organization and future plans?"

"The toughest decisions to make are when the company has outgrown some of these relationships and you need to make changes," he said. The book includes forms to assist with such transitions.

Plan and execute

The "key question" in the planning and execution phases is: "Can you state your firm's strategy simply — and is it driving sustainable growth in revenue and gross margins?"

Harnish stressed that startup leaders must "break apart a 50-year-old business term — strategic planning — and think about it in terms of two distinct activities: 'strategic thinking' and 'execution planning.' Each requires two very different teams and processes."

The "thinking" stage "requires a handful of senior leaders … meeting separate from the standard executive team meeting," Harnish said. In those gatherings, "rather than getting mired in operational issues, the strategic thinking team is focused on discussing a few big strategic issues."

One discussed topic should be the "vision summary." The book includes a framework document to develop a vision summary for companies with fewer than 50 employees, as well as another for those with more employees.

Harnish said the executive team should consider using SWT (strengths, weaknesses, trends) instead of the conventional SWOT (strengths, weaknesses, opportunities, threats) framework.

The book also highlighted the "7 Strata of Strategy" to build a "robust, yet simply stated strategy," starting with asking: "What word(s) do you own in the minds of your targeted customers (e.g. Google owns search)" or "What is your X-Factor … that completely wipes out any and all rivals profit."

Next is "execution planning, [which] requires a much larger team … setting specific annual and quarterly priorities, outcomes," and key performance indicators. "Middle management and frontline employees are involved [as] they are closer to the day-to-day operational issues … and their participation in setting the plan creates better buy-in."

The "key question" at this stage is: "Are all processes running without drama and driving industry profitability?" Harnish said. "You have execution issues if … there is needless drama in the organization." When something wrong happens, "everyone seems to be working more hours … fixing things that should have been done right the first time," and "more importantly, the company is generating less than three times the industry average profitability."

Having ineffective implementation is not necessarily fatal. "Companies can get by with sloppy execution if they have a killer strategy or highly dedicated people [who] will work 18-hour days, [seven] days per week to cover all the slop. Just recognize you're wasting a lot of profitability and time."

To stay the course, the book recommended "taking a few minutes at the end [of every meeting to] summarize who said they are going to do what, when," stressing, "This isn't about micromanagement; this is about … being clear in both communication and accountability."

If planning and execution are done correctly, Harnish said, they create a never-ending loop of think, plan, act, learn, repeat.

Bottom line

Ensuring "consistent sources of cash, ideally generated internally, to fuel growth" is elemental for a startup. "Growth sucks cash. This is the first law of entrepreneurial gravity," Harnish said. "Nothing ages a CEO and [their] team faster than being short on cash. Successful companies hold three to 10 times more cash assets than average for their industries, and they do so from the time they start."

That allows the startup to scale from the "mice" phase, where stagnation is likely after initial momentum recedes; to "gazelles," to achieving optimum size and stable growth in the "elephant" phase, where executives can only make things worse through wrong decisions.

Few startup leaders follow that cash-first approach, "paying more attention to revenue and profit than they do cash when it comes to structuring deals with suppliers, customers, employees (bonus plans) or investors [and] banks."

Harnish recommended always asking accounting for a "cash flow statement every day detailing the cash that came in during the last 24 hours, the cash that flowed out, and some ideas of how cash is looking over the next 30 to 90 days."

Analyzing that data allows startup executives to determine "how long it takes, after you spend [cash] on rent, utilities, payroll, inventory, marketing, etc., for [cash] to make its way through your business model and back into your pocket," Harnish said.

Growth paradox

The phrase "Beware what you wish for, it may come true" is particularly relevant when scaling up startups. "Leading a growth company is one of the more exhilarating things you can do in the world," Harnish said. "Eventually, sailing among the 'big ships' can be an incredibly fulfilling and rewarding opportunity."

In reality, "for many business leaders, scaling the business is a nightmare," he warned. "Does every employee you hire, every customer you acquire, and every expansion you drive actually make you tired? Are you working longer hours, although you'd thought there should be some economies of scale as the business grew?"

Harnish said misalignment of expectations and reality is the "growth paradox: the belief that as you scale the company — and increase your dream team, prospects, and resources — things should get easier, but they don't. Things get harder and more complicated."

That complexity stems from growing the business from an owner and an assistant, with two communication channels, to adding more employees, customers, locations, or products. "Expanding from three to four people grows the team only 33%, yet complexity may increase 400%, and [it] just keeps growing exponentially."

Another source of complexity is that as startups grow, "fundamental barriers to scaling up ventures [surface]." The first is "the inability to grow enough leaders throughout the organization who have the capability to delegate and predict."

The second is "the lack of systems and structures (physical and organizational) to handle the complexities in communication and decisions that come with growth." Third is "the failure to scale up an effective marketing function to both attract new relationships (customers, talents, etc.) to the business and address the increased competitive pressures (and eroded margins) as you scale."

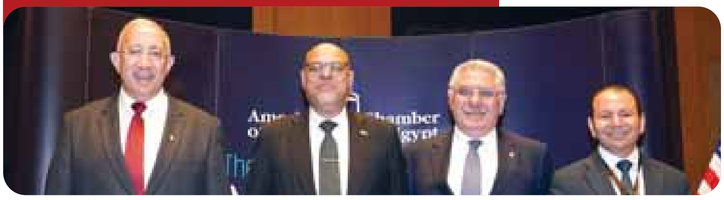
Those challenges complicate navigation through "the 'Valleys of Death' — those points in the company's growth where you're bigger, but not quite big enough to have the next level of talent and systems needed," Harnish explained. "These are the points where the business needs to leap from one whitecap to the next or risk falling into an abyss." ■

Chamber News

BOARD OF GOVERNORS

The **AmCham Committee Leadership**
for **August 2025 to June 2026**
are yet to be announced.

Legal Affairs and Human Resources



1 July

Understanding Egypt's new labor law

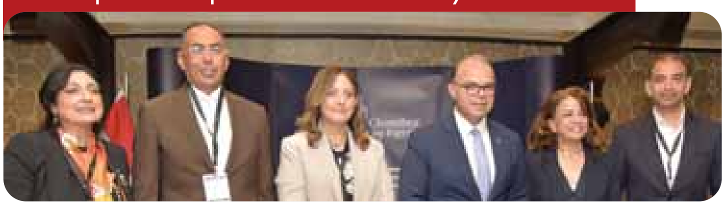
On July 1, the AmCham Legal Affairs and Human Resources Committees co-hosted a joint session to explore the implications of Egypt's new labor law for the private sector. The discussion featured Mohamed Gobran, Minister of Labor, and Ehab Abdel Aty, Legal Adviser to the Minister, and addressed legal reforms, strategic impacts, and stakeholder consultation in shaping the law's rollout.

Abdel Aty explained the executive regulations — still in development — are the phase where the private sector can influence the law's practical application. He called it a sweeping legislative reform modernizing outdated provisions while aligning with constitutional and international standards. New chapters cover nontraditional work models, specialized labor courts and protections for informal workers. To avoid past misinterpretations, the law introduces more than 49 legal definitions to standardize understanding across employers, inspectors and judges.

He emphasized the government's intent to balance employer and worker rights without discouraging investment, aligning with global norms. The law, he said, is built for long-term impact, not frequent revisions, though it could be amended transparently as needed.

Gobran echoed this, stressing the Ministry of Labor remains committed to inclusive policymaking. He highlighted tri-party consultations with the government, employers and workers. Key reforms include recognition of platform work, stronger protections for remote workers, streamlined dispute resolution, removal of prison penalties for labor violations and occupational safety compliance certification. He also underscored the shift from punitive enforcement to a collaborative regulatory approach rooted in data-driven training and workforce development.

Corporate Impact and Sustainability Committee



14 July

Corporate governance in focus

On July 14, the AmCham Corporate Impact and Sustainability (CIS) Committee hosted a high-level session on how corporate governance drives sustainable business growth through transparency, innovation and inclusion. Keynote speaker Mohamed Farid, Chairman of Egypt's Financial Regulatory Authority (FRA), emphasized the strategic role of governance in institutional transformation and economic resilience. He outlined FRA milestones, including mandatory board diversity; Environmental, Social, and Governance (ESG); and Task Force on Climate-related Financial Disclosures (TCFD) reporting, and development of a regulated voluntary carbon market.

Farid argued that governance is not just procedural; it's a performance enabler that requires robust data, risk management, and digital transformation.

The panel featured leaders from finance, law, governance and investment. Hani Sarie Eldin, chair of the Senate's Economic Affairs Committee, urged reform of Egypt's Companies Law to extend governance requirements to large non-listed companies. He framed governance as a value driver, not just compliance.

Sherifa El Sherif, Executive Director of the National Institute for Governance and Sustainable Development, emphasized that governance is a cultural shift. She pointed to weak audit systems and poor reporting, calling for capacity building and stronger public-private cooperation.

Reem El Saady of the European Bank for Reconstruction and Development (EBRD) noted that while governance has costs, it helps enable access to sustainable finance. EBRD supports transparency and ESG integration through grants and advisory. She encouraged monetizing sustainability for SMEs to boost adoption.

Ahmed El Guindy, managing partner at Tanmiya Capital Ventures, affirmed ESG is now essential for capital access. He called for regulatory parity between public and private markets, adding that reform must be paired with financial incentives to drive cultural change.

A recurring theme was the governance gap between listed and non-listed companies. Stakeholders urged proportionate regulation, investor incentives and key performance indicators that link governance to business value. The session concluded with a shared call for integrated efforts among regulators, investors and companies to embed governance as a cornerstone of Egypt's sustainable growth.

Customs and Taxation

15 July

Toward a streamlined customs clearance process

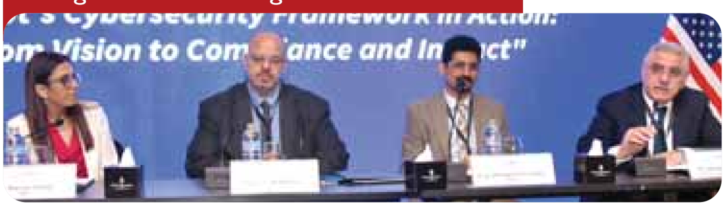
On July 15, the AmCham Customs and Taxation Committee hosted a dynamic session titled "Toward a Streamlined Customs Clearance Process," featuring Ahmed Amawy, chairman of the Egyptian Customs Authority. The session convened representatives from multinational corporations, industrial groups and logistics firms to engage in an open dialogue on challenges within customs clearance system and pathways for reform.

Amawy emphasized the authority's transformation agenda, focused on transparency, digitization and efficiency. He detailed plans to reduce cargo inspection rates — currently at 95% — by implementing a risk management system that distinguishes between high-risk and low-risk shipments. The aim is to shift more imports to "green channel" clearance through data analytics and automation, improving predictability and reducing lead times.

Participants raised pressing concerns, including delayed visibility of customs accounts on the Nafeza portal, an investment one-stop shop, bottlenecks at Alexandria Port resulting in demurrage charges, inconsistent post-clearance audits, and the absence of structured appeal mechanisms. Amawy responded with a commitment to follow up on individual cases and invited companies to submit detailed memos for review.

A key discussion point was the disconnect between customs' white list of trusted importers and other inspection bodies. Attendees advocated for unified treatment across regulatory authorities to avoid duplication and delays. Amawy acknowledged this and outlined efforts to establish a universal risk management framework integrating data across inspection entities via Nafeza.

Legal Affairs and Digital Transformation



15 July

Egypt's Cybersecurity Framework in Action

On July 15, the AmCham Legal Affairs and Digital Transformation Committees hosted a joint session featuring Walid Zakaria, NTRA's deputy chairman for cybersecurity affairs, and Mohamed El-Sobki, executive director for cybersecurity risk management, compliance and accreditation at the National Telecommunications Regulatory Authority (NTRA). The session provided an in-depth look into Egypt's evolving cybersecurity ecosystem and its alignment with national digital transformation goals.

Zakaria opened with Egypt's strategic vision for cybersecurity, underscoring the country's commitment to building a secure digital economy founded on robust infrastructure and skilled human capital. He outlined the NTRA's cybersecurity framework, which introduces a licensing and accreditation system aimed at standardizing service quality, mitigating systemic risk and ensuring fair competition among providers.

El-Sobki elaborated on the regulatory landscape, including licensing criteria, professional certifications and classification of service providers based on involvement with critical infrastructure. The framework distinguishes between temporary and permanent licenses and promotes investment in talent development. Technical and organizational requirements vary by service type, from penetration testing and digital forensics to SOC operations and training.

Case studies from accredited firms, such as ZeroSploit, iSec, and Liquid C2, highlighted the framework's tangible impact, raising service standards, boosting market transparency, and enhancing positioning in critical infrastructure projects. The companies praised NTRA's collaborative approach, noting it fosters trust, fair competition, and sector-wide maturity. They also emphasized the framework's adaptability, shaped by ongoing dialogue with industry stakeholders to address emerging cyber threats.

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Naser Saif Al Yafei,
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Address: Cairo Festival City, Building 12B03/A, Fifth Settlement, New Cairo
Tel: (20-12) 0416-8882
Website: arciusenergy.com

Membership Type:
Associate Resident

CHEMICAL PRODUCTS

SCIB Chemicals S.A.E
Prashant Shekhar,
Chief Executive Officer

Address: Fourth Industrial Zone, 1/3/B/B, Sixth of October City, Giza
Tel: (20-2) 3828-1090/9
Website: www.scibpaints.com

For any change to contact information, please contact the Membership Services Department at the Chamber's office
Tel: (20-2) 3333-6900, ext. 0016 | **Fax:** (20-2) 3336-1050 | **E-mail:** membership@amcham.org.eg

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Sector: Financial Sector

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Chief Financial Officer, Al Ahli Bank of Kuwait ABK - Egypt
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Sector: Financial Sector

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Sector: Human Resources

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HR Director, Capgemini Egypt
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Sector: Information & Communication Technology

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Category: Affiliate
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Commercial Sales Manager, Robusta Technology Group (RTG)

Category: Affiliate
Sector: Information & Communication Technology

Mostafa Gamal
Senior Application Security Team leader, ZINAD for Information

Category: Affiliate
Sector: Information & Communication Technology

Richard Elkharat
Chief Executive Officer, Chedid Insurance Brokers Egypt

Category: Associate Resident
Sector: Insurance

Mohsen Mikhael
Chief Executive Officer, Aga Khan Foundation, Egypt

Category: Not-for-Profit
Sector: Non-Governmental Organizations (NGOs)

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Country Manager - Egypt, Chevron Egypt Marketing LLC

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Sector: Petroleum

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Category: General
Sector: Consultancy

EXCLUSIVE OFFERS

ALDAU Development

ALDAU Development is pleased to offer AmCham Members a 15% discount on the hotels listed below.
-Hyatt Regency Cairo West based on accommodation and F&B.
- Steigenberger Pure Lifestyle Hotel (adults only / 16+) based on Hard All Inclusive
- Steigenberger ALDAU Beach Hotel based on Hard All Inclusive
- Steigenberger Aqua Magic Hotel based on Hard All Inclusive

This offer is valid until December 31, 2025

Contact:
-reservation@steigenbergerpurelifestyle.com
-reservation@steigenbergeraldau.com;
reservation@steigenbergeraquamagic.com; reservation@steigenbergerpurelifestyle.com

Aramex International Egypt

Aramex International is pleased to offer AmCham Members a special discount on Online Shopping & Shipping Membership plans:
A 50% off on FLEX annual subscription.
And a 30% discount on all Personal Domestic Services, and a 20% discount on the international cash rates.

This offer is valid until December 31, 2025

Contact:
Short No.16996
Email: SaraK@aramex.com

Baron Hotels & Resorts

Baron Hotels & Resorts has the pleasure to offer a 15% discount on published rates, to AmCham members, in addition to the below privileges:
- Welcome drink upon arrival
- Early check-in and late check-out (subject to Hotel availability)
- Coffee and Tea facilities
- Fruit Basket

For the reservations in Baron Palace Sahl Hasheesh and Baron Resort Sharm El Sheikh): Emad Fathy

The offer is applicable on Baron Palace Sahl Hasheesh, Baron Resort Sharm El Sheikh, Baron Palms Sharm El Sheikh and Baron Cairo.

This offer is valid until December 31, 2025

For the reservations in Baron Hotel Heliopolis, Cairo: Rafik El Araby

Contact:
Emad Fathy
Tel: (20-2) 2241-9206/207
Ext: 225/ 286/ 117;
2414-0929; 2290-1836
Rafik El Araby
Tel: (20-2) 2291-5757
Emails: reservation@baronhotels.com; reservation@baronsharm.com; reservation@baronpalacesahlhasheesh.com; reservation@baroncairo.com

Cairo Marriott Hotel

Is pleased to extend its offer of 15% discount on the best available room rates and a 15% discount on Food and Beverages at all Cairo Marriott outlets (This offer does not require having a room at the hotel)
- Rate is for Bed and Buffet Breakfast at Omar's Cafe, subject to availability and prior reservation, valid at any day of the week.
- Rate is subject service charge and taxes.
- Offer is valid for the members only and has to be reserved through and used by the member for a maximum of two rooms per stay.
- Members can only accompany their spouse and children during their stay.
-This discount is not applicable for more than 5 pax

This offer is valid until December 31, 2025

Contact:
Mai Moenes
Phone: (202) 27394647
Ext. 8808
Mobile: (20-12) 0434-0648
Email:
mai.moenes@marriotthotels.com

Crowne Plaza West Cairo - Arkan

Crowne Plaza West Cairo - Arkan are pleased to offer AmCham Members 25% discount on Food & Beverages.

This offer is valid until December 31, 2025

Contact:
Hend Seifeldin
Tel: (-0-10) 0145-1105 | Email: Hend.Seifeldin1@ihg.com

Hilton Worldwide

Hilton Alexandria King' s Ranch is pleased to offer an exclusive discount to AmCham Members:
- 20% Discount on Accommodations
- 20% Discount on Food & Beverage
- 20% Discount on Spa

This offer is valid until December 31, 2025

Contact:
Phone: (20-3) 453-0180
Email: alykr_res@hilton.com

Hurghada Marriott Beach Resort Hotel

Marriott Hurghada is pleased to offer AmCham members a 15% discount on published rates.

This offer is valid until December 31, 2025

Contact:
Phone: 0653404420 - Mobile: 01201788882
E-Mail: reservation.hurghada@marriott.com

Royal Maxim Palace Kempinski

Royal Maxim Palace Kempinski Cairo Hotel is delighted to offer the valued AmCham Members exclusive privileges and discounts, as below.

-15% Discount on Accommodation from our Best Available Rates: Immerse yourself in luxury and comfort at a very special rate. Booking has to be done through our reservation department at reservation.royalmaxim@kempinski.com
-15% Discount on Gym membership: Rejuvenate your body & soul at our state-of-the-art fitness center. Stay energized with workouts, personalized training sessions and wellness programs.
-10% Discount on Food & Beverages: Savour exquisite culinary experiences, whether you're a hotel guest or simply enjoying a delightful meal.
-20% Discount on Laundry and Dry Cleaning Services: Experience the ultimate convenience and care for your belongings, even if you're not a hotel guest.

This offer is valid until December 31, 2025

Contact:
Tel: (20-2) 2249-5300
Email:
reservation.royalmaxim
@kempinski.com

SIXT Egypt

AmCham Member can enjoy an exclusive 10% discount on premium car rentals with SIXT and special rates on international bookings.

Planning to travel abroad? Rent your car through SIXT Egypt, pay in EGP, and enjoy an exclusive discount. No hassle, no currency exchange—just a smooth journey wherever you go.

This offer is valid until December 31, 2025

Contact:
Short No. 17277
Email:
reservations@sixt.com.eg

United Sons Moving Services

United Sons is pleased to offer AmCham members the following exclusive benefits:

- 15% Discount on any local move within Cairo city limits (up to a 50 km radius)
- 10% Discount on any local move within Egypt
- 5% Discount on any international move
- Priority booking for member companies' requests
- No overtime charge for services provided after working hours
- Free storage at our warehouse for all international move

This offer is valid until December 31, 2025

Contact:
Samer Elhamy
Tel: (20-2) 2754-4974/94
or (20-10) 6210-1998
Email:info@unitedsons.org

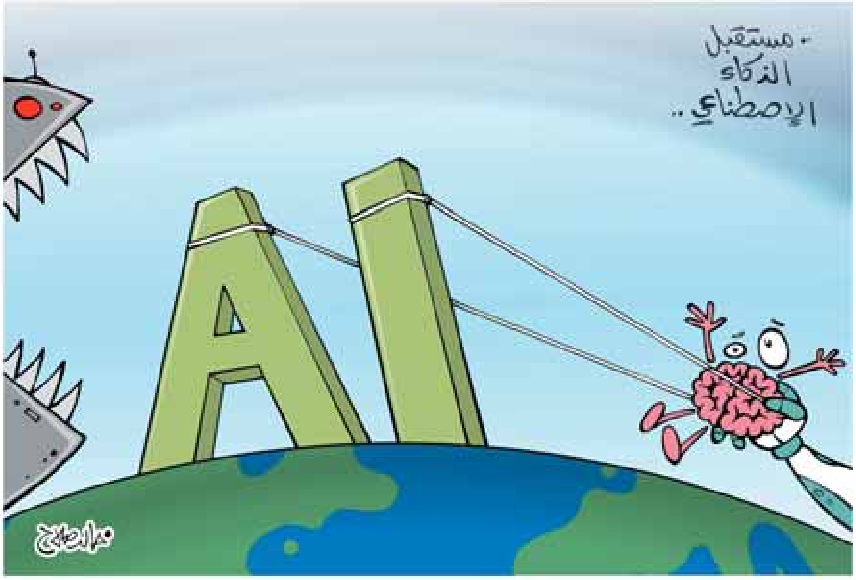
AmCham members can claim these discounts by presenting their AmCham 2025 membership card.

For more offers, please visit AmCham Cyberlink on www.amcham.org.eg

A Glance At The Press

The future of AI

Al Masry Al Youm, July 20



Media Lite collates a selection of some the most entertaining offbeat and lighthearted news items published in the local press. All opinions and allegations belong solely to the original source publications and no attempt has been made to ascertain their veracity.

Tomb in Sohag reopens after restoration

Following a yearlong restoration by the Supreme Council of Antiquities (SCA), the 1,800-year-old Roman-era Tomb of the Towers, known for its rare zodiac ceiling, has reopened to the public in the ancient city of Athribis, located in Nagaa El-Sheikh Hamad, west of Sohag.

Dating to the second century AD, the tomb belonged to two brothers, Ibpemeny the Younger and Pemehyt, sons of Hor-Nefere and Tasheret-Hor-Segem. Architecturally, it features a square antechamber that leads into a burial chamber, where a niche is carved into the western wall.

The tomb is known as the Tomb of the Towers for its painted ceiling depicting two zodiac towers. The site is notable for its vivid astronomical scenes and richly ornamented funerary imagery.

According to Manal El-Gannamm, head of the Central Department for Conservation and Restoration, the restoration process encompassed mechanical and chemical cleaning of the walls and ceiling, stabilization of flaking pigments and plaster, and careful reconstruction of missing sections using materials compatible with the original structure

Mohamed Ismail Khaled, secretary-general of the SCA, commended the expertise of the team, emphasizing the council's ongoing commitment to documentation and conservation. "Heritage preservation is a national responsibility that requires coordinated and sustained efforts," he said.

Ahram Online, July 13

Tourism campaign targets Arab market

The Ministry of Tourism and Antiquities has launched a comprehensive digital marketing campaign aimed at attracting visitors from across the Arab world, under the slogan "Egypt … Unparalleled Diversity."

In collaboration with WEGO, the Middle East's leading online travel marketplace, the initiative is set to run through June 2026. The campaign aims to generate more than 500,000 holiday bookings and attract more than a million visitors from Arab countries within the next year.

It also aims to position Egypt as the top destination for Arab travellers by leveraging targeted outreach and strategic media placements.

"The campaign forms a key part of the country's broader strategy to expand its digital footprint and engage more effectively with regional audiences," said Ahmed Youssef, acting CEO of the Egyptian Tourism Authority. "Through strategic digital tools and partnerships with specialized travel platforms, we are working to ensure Egypt remains a top destination for Arab audiences."

He added, "Our new campaigns will showcase the country's endless variety, charm, and the ongoing development that welcomes visitors from all backgrounds."

The campaign will tailor promotional content to Arab travellers, shedding light on Egypt's diverse offerings, from luxury beach resorts and water sports to cultural heritage, shopping, entertainment, and emerging destinations, such as the modern Mediterranean hub of New Alamein City.

The campaign's integrated media strategy features high-impact video ads on YouTube, targeted promotions through Google, and content in Arabic and English. Additionally, smart outdoor displays will be deployed in cinemas and shopping centers across the region.

Egyptian Gazette, July 16

Olive Oasis

THE WATER VILLA

Rooted in heritage and framed by native olive trees, Olive Oasis offers a superior waterfront living experience where luxury seamlessly merges with organic design and sustainable lifestyle. Serene water views, courtyard homes and direct beach access fostering a deeper connection to nature, within a gated privacy.

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